Weekend FT
LONDON

Has the capital lost its way?
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US ELECTION
Jerry Brown catches a wave
Page 8

NEWSPAPER OF THE YEAR

FINANCIAL TIMES

Weekend March 28/March 29 1992 EUROPE'S BUSINESS NEWSPAPER D 8523A

Japan economy boost through public works

Japan is to unveil a package of measures next week in an effort to boost the economy and revive flagging business sentiment.

The package, due to be announced by ministers on Tuesday, is expected to bring forward planned public works spending, and speculation in Tokyo intensified that it would be followed by a further cut in the official discount rate. Page 24

Vote anger: A row erupted after two ministers in France's Socialist government were apparently supported by the extreme right National Front in elections for regional council presidents. Page 2

Air row: The French and US governments are to make a last-ditch attempt to resolve a deadlock over dividing capacity on transatlantic air routes. If it fails, there could be restrictions on flights in the next few weeks. Page 3

Chrysler's sale of just under half its 10.99 per cent stake in Mitsubishi Motors was privately welcomed by the Japanese car maker which has been angered by Chrysler's demands for limits on the sale of Japanese-badged vehicles in the US. Page 12

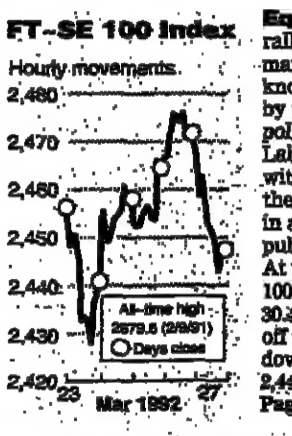
Gatt: US President George Bush, issuing an unusually strong warning over the possible collapse of long-stalled world trade negotiations, has called for "a political push" to get talks moving, a White House spokesman.

Brazilian car prices were reduced 22 per cent as a result of negotiations between the government, manufacturers and unions. Page 2

US incomes up: US personal income rose 1.1 per cent in February, the largest monthly gain for three years, the Commerce Department reported. Page 2

FT-SE 100 Index

Hourly movements



Equities: The three-day rally in London's equity market was effectively knocked on the head by the latest opinion polls and fears that Labour may emerge with a clear lead over the Conservatives in a batch of polls published tomorrow. At its worst, the FT-SE 100 showed a fall of 30.4, but it later eased off the bottom to close down a net 24.3 at 2,447.9. Stock market, Page 15; Lex, Page 24

The Adelaide News, the newspaper which formed the base for Rupert Murdoch's international media empire, closed after a long battle against falling circulation and revenue. Page 3

Ecology: Preparations for the world environmental conference in Rio de Janeiro are in danger from an immense agenda and disagreements between rich and poor countries over who should pay for green problems. Page 2

Switzerland's central bank should declare a floor rate for the ailing Swiss franc in relation to the Deutschmark, a leading Swiss economic research institute has suggested. Page 2

Societe Générale, the French commercial bank, is to move into a new FFr5bn (£516.5m) headquarters, in Paris's city's largest property transaction. Page 12

IMF move on Russia: *Executive directors* of the International Monetary Fund were making plans to work through the weekend to complete preparations for Russia's membership of the Washington-based financial institution. Page 2

Paribas, a leading French investment banking group, announced that it expected provisions to remain high this year because of the poor economic outlook in France and the UK. Page 12

Budget voted down: The Russian parliament, raising the stakes in its battle against the government's harsh market reforms, rejected a draft budget for the second quarter of 1992 and beyond. Page 2

Yugoslav deaths: Nineteen people were reported killed in fighting between Serbs and Croats in Bosnia-Hercegovina, after its government warned that law and order was on the verge of collapse throughout the central Yugoslav republic. Page 2

Times change: Clocks in the UK and the rest of Europe go forward by one hour at 1am tomorrow. In North America, the move to summer time comes one week later, on April 5, except in states and provinces which do not change their clocks. Picture, Page 2

US LUNCHTIME RATES		
Federal Funds:	3⅞%	
3-mo Treas Bills: Yld	4.08%	
Long Bond	100⅞	
Yield	7.94%	
LONDON MONEY		
3-mo Interbank	10⅝%	(10⅞%)
Liffe long gilt future:	Jun 93⅞	(Jun 94⅞)
STOCK INDICES		
FT-SE 100:	2,447.9	(−24.3)
Yield	5.05	
FT-SE Eurotrack 100	1,140.84	(−5.41)
FT-A All Share	1,176.13	(−0.8%)
Nikkei	19,636.28	(−246.50)
New York: lunchtime		
Dow Jones Ind Ave	3,237.82	(−20.75)
S&P Composite	404.65	(−3.20)
NORTH SEA OIL (Argus)		
Brent 15-day (May)	$17.875	(18.025)
Gold		
New York Comex Apr	$341.0	(341.1)
London	$341.8	(340.7)

STERLING		
New York lunchtime:		
$	1.7382	
London:		
$	1.7385	(1.7228)
DM	2.8575	(2.8825)
FFr	9.6975	(9.7075)
SFr	2.6025	(2.61)
Y	231.5	(230.75)
£ Index	90.2	(90.1)
DOLLAR		
New York lunchtime:		
DM	1.643	
FFr	5.5725	
SFr	1.495	
Y	133.3	
London:		
DM	1.644	(1.662)
FFr	5.5775	(5.635)
SFr	1.4975	(1.5155)
Y	133.15	(133.9)
$ Index	64.8	(65.1)
Tokyo close Y 133.85		

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High tax payers start to scramble for an offshore haven

By Our Financial Staff

IF CHANNEL shipping is heavy this weekend, it could just be caused by men in rowing boats filled with £5 notes, fleeing the prospect of a Labour government.

With 12 days to go before polling, accountants are beginning to report a large increase in inquiries from taxpayers anxious about the prospects for a Labour victory in the general election.

Many said yesterday that the demands from clients for tax-planning advice far exceeded those in previous years at this time, and the interest was also higher than in 1987 before the last election – when the prospects of a Conservative victory seemed far more certain. Labour's tax proposals mean a married man on a £100,000 salary is contemplating a loss of £13,000 a year, a fall in after-tax income of 20 per cent.

So far, much of the action is taking place within the UK. Many people are taking "tax-efficient" measures so that they receive income in the current financial year. Some financial institutions, such as James Capel, have brought forward the payment of bonuses to their employees.

On the other hand, some taxpayers are delaying expenditure to allow them to take advantage of hoped-for high reliefs until the coming tax year.

But the real question is whether investors will be sufficiently panicked to take their money offshore. A British citizen is liable to be taxed on all his or her worldwide income.

Most accountants coughed indignantly at the suggestion they would be asked to advise clients about placing money offshore where it might not be disclosed to the Inland Revenue.

"It's certainly not the sort of thing they would consult us about," said Mr Tony Martin, a tax partner with Price Waterhouse. "They would do it without professional advice."

Lack of exchange controls means that someone could conceivably take out wads of cash in a suitcase, but they risk being noticed by the taxman when they bring back the money. In offshore centres such as Gibraltar and the Isle of Man, there were reports yesterday reflecting nervousness which stopped short of capital flight.

One leading Gibraltar lawyer said yesterday: "What we have been getting in recent days is quite a number of accountants coming to us who are anticipating capital flight and who want us to be ready for it. But the capital from the UK hasn't arrived yet."

Offshore jurisdictions close to the UK have received some inquiries about moving assets offshore in the event of a Labour government, but have certainly not been inundated. For the moment, investors may be waiting until the opinion polls indicate a clear victor.

However, traditional havens such as the Channel Islands may not see the bulk of the flight capital. Mr Geoffrey Bailey of Lloyds Private Bank, said: "It is not altogether clear what the standing of the Channel Islands will be."

Mr Peregrine Banbury, head of the Coutts investment department, said that other offshore centres such as the Bahamas, Caymans, Luxembourg and the Cook Islands might benefit from any move of capital.

Offshore funds which allow investors to accumulate income and legitimately postpone the payment of tax were reporting a growth in interest.

Fidelity, which recently launched a range of such funds, reports that $2.3m (£1.32m) is flowing in every week and two prominent managers in the field, Guinness Flight and NM Rothschild, noted increases in inquiries and investment.

What about the prospect of UK-based businesses moving overseas during a Labour government? Large London-based for-

Continued on Page 24
Revenue on alert, Page 6; Lex, Page 24; Finance and the family, Weekend II, III and V

US losses prompt Gerald Ronson's group to seek deal with lenders

Heron tells banks it wants £1.3bn debt rescheduling

By Bronwen Maddox and Robert Peston

HERON INTERNATIONAL, Mr Gerald Ronson's international property and finance group, surprised its banks yesterday by announcing that it was seeking to reschedule its net debt of some £1.3bn.

In a meeting earlier this month with Crédit Suisse, a leading Swiss bank, Heron gave no indication of any problems. The bank said yesterday: "We were astonished by yesterday's announcement."

The move comes a week after Canada's Olympia & York, the world's largest property developer and backer of the Canary Wharf development in London's docklands, ran into financial difficulties.

Heron, Britain's second largest private company, said last night "this is no last minute crisis ... the company initiated this move, not the banks".

The company has also suspended the trading of its bonds on the Swiss, Frankfurt and Luxembourg exchanges until after a meeting next Friday, at which it will ask its bankers to extend the maturity dates on some of its debt and bonds.

The announcement was made three days before the end of Heron's financial year, in which, for the first time in its 26-year history, it is likely to show a loss.

Heron said last night that "one of the main elements" of the decision was losses from its US financial services and property businesses, an ill-fated expansion of the mid 1980s, which has cost it about £200m over the past four years.

At the same time it is fighting recession in its key markets of property, housebuilding, and luxury car sales.

Heron has no publicly-traded shares but has financed itself by debt and bonds, denominated mainly in Swiss francs.

Its last accounts at March 1991 showed net debt of £1.3bn, including £447.8m in bonds. The company said yesterday that its present debt was "roughly in line" with that figure.

The rescheduling plan will propose that the principal and interest on Heron's loans will be paid in full "over some period".

However, Heron is expected to ask banks to defer interest payments. The company will not seek more loans, and will start selling investment properties.

Lex ....Page 24

The Bank of England has been kept informed about the restructuring but has so far been little involved. One banker said last night that he hoped the rescheduling would prove to be "more straightforward" than other recent debt reconstructions. However, he added that it is "early days".

The bank lenders to Heron are being led by Barclays, the UK's biggest bank, which has been kept informed of the property group's plans.

Barclays' exposure is understood to be less than £150m, but it saw its shares slip from 335p to 322p yesterday on worries about the loans' safety.

When Mr Ronson was tried and convicted in August 1990 for his role in the Guinness affair, Sir John Quinton, chairman of Barclays, gave him a glowing testimonial, saying that Mr Ronson "had the reputation of being perhaps the most successful businessman of his generation", and that his creditworthiness was "as high as it had ever been".

Bank of America and National Westminster are next in order of exposure.

Crédit Suisse is both a lender to Heron and lead manager of some Swiss franc bonds. It said yesterday: "We met Heron's executives earlier this month and they said nothing about this."

The company's 11 bond issues – six in Swiss francs, two in Ecus, one in D-Marks, one in French francs and one in US dollars – will remain suspended until April 6.

Recent concerns about Heron's indebtedness, combined with the property slump, have been reflected in the bonds' price.

At their suspension prices yesterday the Swiss bonds were at between 30 per cent and 43 per cent of their face value, a "junk" rating, and offering buyers yields of between 31 per cent and 47 per cent if the bonds were held to maturity.

None of bonds mature until next year. Heron said yesterday that an interest payment on the SFr105m bond dated 1989-98, which is due on Monday, would still be made.

Heron said that it had detected the need for rescheduling in February and had called in Price Waterhouse, the accountancy firm, which had previously had no links with the company, to do a "full independent review".

Heron said yesterday it had "positive net worth, substantial liquidity (cash and liquid investments) of over £100m and no cash flow problem".

Andy Mears
Gerald Ronson arriving at Heron's London offices yesterday

Discontent surfaces in Tory campaign

By Ivo Dawney, Gareth Smyth and Alison Smith

CONSERVATIVE strategists were once again under pressure last night to revamp the party's election campaign as City jitters pushed share prices down sharply and discontent surfaced, among party activists.

As Mr Neil Kinnock, the Labour leader, returned to the offensive with a claim that the government's National Health Service reforms would create a "patchwork quilt of profit centres", Tory campaigners were also faced with new poll data suggesting for the first time that Labour might be in sight of outright victory.

With less than a fortnight before polling day, a Harris poll conducted for London Weekend Television put Labour on 42 per cent in London, the Conservatives on 40 and the Liberal Democrats on 17 - an 8.5 point swing to Labour against the 1987 election result in the capital.

Its broad findings were confirmed by a more comprehensive BBC poll of polls showing London swinging by 8 points to Labour.

An accurate measure of the national outlook, taking in the impact of this week's fiercely fought battle over the NHS, will not be available until tomorrow's

Continued on Page 24
Editorial comment, and Race against time, Page 8

Lonrho's deal with Libyans worries leading US investor

By Roland Rudd

LONRHO'S second-biggest shareholder, US-based Fidelity Management and Research, yesterday voiced concern that it might be forced to disinvest from the international trading group if the United Nations imposes economic sanctions against Libya.

FMR's worries follow Lonrho's announcement on Thursday that it had sold a one-third stake in its Metropole Hotels chain for £177m to the state-run Libyan Arab Investment Company.

The warning came as another, UK-based institutional shareholder, which asked not to be identified, said it was reviewing its holding of about 2 per cent in Lonrho following news of the deal with the Libyans.

Libya faces the growing possibility of economic sanctions and asset seizures over its alleged role in the 1988 bombing of Pan Am flight 103 over Lockerbie.

FMR has recently increased its holding in Lonrho to 65m shares, or just under 10 per cent. Mr "Tiny" Rowland, Lonrho's chief executive, is the biggest investor, holding 92.1m shares or 14.6 per cent.

Along with Fidelity International, its UK operation, FMR bought 4 per cent in Lonrho last month after the shares plummeted from more than 170p to just over 100p.

The shares yesterday fell by another 8p to close at 87p.

The US-based investment fund said it had no prior warnings from Mr Rowland that he was about to announce an imminent deal with the Libyans.

The UK institution which is reviewing its investment in Lonrho said it feared the deal was part of a "poison pill" to make it less attractive to potential predators since no other company would wish or be able to deal with the Libyans.

Mr Paul Spicer, Lonrho's deputy chairman, said institutional investors had expressed support for the deal at a lunch hosted by the group after its annual general meeting on Thursday.

In light of the warnings from Lonrho's chairman, Mr René Leclézio, that "the current half year will be a further disappointment", analysts yesterday further downgraded their forecasts of pre-tax profits for the year.

UBS Phillips & Drew, one of Lonrho's own brokers, cut its forecast for the second time in a month, this time by £25m to £125m. It also forecast a 20 per cent cut in the dividend to 8p.

CONTENTS

Austria Sch30; Bahrain Din1.000; Bermuda $1.00; Belgium BFr60; Canada C$1.40; Cyprus C£1.00; Czechoslovakia Kcs36; Denmark DKr14.00; Egypt E£4.00; Finland Fmk18; France FFr8.00; Germany DM3.30; Greece Dr250; Hong Kong HK$18; Hungary Ft160; Iceland IKR180; India Rup20; Indonesia Rp3,800; Israel NS5.50; Italy L2500; Japan Y600; Jordan JD1.20; Korea Won 2600; Kuwait Fils.500; Lebanon £L1250; Luxembourg LFr60; Malaysia Rm4.50; Malta Lm0.50; Morocco Dh11.00; Nigeria Naira20.00; Netherlands Fl3.60; Norway Nkr15.00; Oman OR1.20; Pakistan Rs35; Philippines Pso 45; Poland Zl 18000; Portugal Esc180; Qatar QR10.00; S Arabia Rls9.00; Singapore S$4.10; Spain Pta200; Sri Lanka Rup30; Sweden SKr14.00; Switzerland SFr3.00; Taiwan NT$65; Thailand Bht50; Tunisia Din1.000; Turkey L6000; UAE Dh9.00; USA $1.25.

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White House may back capital increase to Fund

IMF works on to agree terms for new members

By George Graham in Washington

EXECUTIVE directors of the International Monetary Fund were yesterday making plans to work through the weekend to complete preparations for Russia's membership of the Washington-based financial institution.

The IMF board began discussions on Thursday on the size of the Russian quota in the fund, as well as those of the other former Soviet republics, and is expected to reach agreement early next week. The quotas will help determine the amount of financial assistance each republic can eventually call on from the IMF.

A quota of slightly over 3 per cent is expected to be agreed for Russia – which would give it access to roughly $4bn (£2.3bn) of IMF financing in a full year.

Concern over Russia's ability to carry through its economic reform plans could affect the IMF's readiness to agree to financing facilities once the republic has joined the fund, but is not thought likely to hold up the processing of its membership application.

The US, meanwhile, is expected to announce in the next two weeks a new package of measures to help Russia and the other former Soviet republics. The package is expected to include a US contribution of up to $1bn to a rouble stabilisation fund, some $600m of additional food and technical aid, and the relaxation of curbs on trade with the former Soviet republics.

The package is a response to sharp criticism from former President Richard Nixon and senators in both parties who have accused the Bush administration of a "pathetically inadequate" response to the changes in the Soviet Union.

The White House is also considering campaigning openly in favour of the US's $12bn share of a $60bn capital increase for the IMF. Without US agreement, the whole $60bn capital increase would be blocked, leaving the IMF perilously short of cash and possibly forcing it to start delaying financial commitments later this year or early in 1993.

The Democrats who control Congress have been reluctant to vote this funding for fear of coming under attack from the Republicans for pouring money overseas, as they did last time they voted an IMF quota increase in 1983.

They have demanded that President George Bush himself publicly back the IMF funding, instead of leaving the job to his treasury secretary, Mr Nicholas Brady.

NF votes spark row for Mitterrand ministers

By Ian Davidson in Paris

A ROW erupted between French political party leaders yesterday after two ministers in the Socialist government were elected presidents of their regional councils with the apparent support of the extreme right-wing National Front.

This is an electoral accident which will embarrass the government further at a time when the Socialists' fortunes are at a record low. Last weekend they polled an ignominious 18.3 per cent in the regional elections.

At the same time, voting throughout the country by the new regional councillors to choose their presidents revealed a deep split between the Socialists and the Communists. This is being taken as an advance warning that the Communists are in future likely to be considerably more antagonistic to the government in parliament.

The main surprises yesterday were the election of Mr Jean-Pierre Soisson, minister for public administration in the Socialist government, as president of the Bourgogne regional council, and of Mr Jean-Marie Rausch, minister of posts, in Lorraine.

Both ministers are moderate conservatives who joined the Socialist-led government as part of President François Mitterrand's policy of an opening towards the centre.

Neither had expected to be elected following the Socialists' heavy defeat last weekend. However, the National Front yesterday threw its weight behind the two candidates because they said: "We wanted to elect two ministers without party alliances."

Mr Jacques Chirac, leader of the Gaullist RPR party, denounced the election of Mr Soisson in Bourgogne as "this additional turpitude of the Socialists, which has taken another step forward in their relations with the National Front".

Mr François Bayrou, secretary general of the centre-right UDF umbrella grouping, called on Mr Soisson to resign from the government immediately, or explain this new alliance strategy on the part of the government. "This is the end of the government," he said.

Mr Soisson, surprised by his victory, described it as "a spectacular reversal". He claimed it was due to the transfer of votes from the centre-right.

There were however other explanations for Mr Soisson's victory. Mr Charles Pasqua, elder statesman of the Gaullist party, blamed the result on a broken agreement between the two traditional conservative groups, the centre-right UDF umbrella grouping and the RPR Gaullist party.

Mr Pasqua clearly indicated that he thought it was possible Mr Soisson might have been elected through the defection of some angry UDF members.

The hardening of the Communist attitude promises a much harder road for the government in future. In several key regions, the Communists insisted on maintaining their own candidate for the presidency throughout the three successive rounds of voting, even though they could not be elected, rather than line up behind the Socialist candidate.

Budget rejected in battle over Russian reforms

By Leyla Boulton in Moscow

THE Russian parliament, raising the stakes in its battle against the government's harsh market reforms, yesterday rejected a draft budget for the second quarter of 1992 and beyond.

It ordered Mr Yegor Gaidar, the first deputy prime minister, who is trying to restore the country to financial health by balancing the budget, to come back with a new plan on April 20.

But the choice of that distant date suggests that the standing parliament is hoping Mr Gaidar's government will either be thrown out of power or forced into less austere financial policies by the Congress of People's Deputies, which opens on April 6.

Reiterating claims that Mr Gaidar's policies were leading the country to ruin, Mr Alexander Pochinok, chairman of parliament's budgetary committee, accused him of misleading parliament with over-optimistic estimates of future tax revenues and capital investment by the state.

The government's latest budget proposal – the parliament is refusing to adopt a budget for the whole of the year in one go – provided for a deficit of Rbs108.31bn in the second quarter, and of Rbs245.34bn for the whole year. Expenditure is projected at Rbs555.6bn for the second quarter, and at Rbs2,103bn for the whole year.

Mr Gaidar told parliament that the first two months of the year had shown a budget surplus of Rbs12.2bn, suggesting that subsequent concessions on social spending, among other items, had been responsible for a first quarter deficit of about Rbs80bn.

Mr Gaidar said the government could afford to loosen budgetary policy for the second quarter of this year because unpopular price liberalisation measures had eliminated the monetary overhang – or surplus of roubles in circulation – which has consistently undermined the rouble.

Although apparently conceding that a totally deficit-free budget was no longer on the agenda for this year, he said budgetary policy would again have to be tightened in the third quarter.

President Boris Yeltsin is understood to have ditched the official draft Russian constitution following attempts by parliament's constitutional committee to reduce his emergency powers, Leyla Boulton reports.

Although a new constitution has been one of Mr Yeltsin's chief political goals, he has effectively killed the prospect of endowing Russia with a new one to replace that inherited from the old communist empire at a sitting of the Russian parliament on April 6.

A constitution not only determines the power structure in Moscow but the relationship between the centre and the autonomous republics and regions within the largest republic of the former Soviet Union.

A Düsseldorf municipal worker checks the many clocks in the city's Zeitfeld ("Field of Time") square. They will all go forward an hour at 1am tomorrow as European summer time begins.

Brazilian accord cuts car prices by 22%

By Christina Lamb in Brasilia

BRAZILIAN car prices were reduced 22 per cent yesterday as a result of successful negotiations between the government, vehicle and parts manufacturers and union representatives.

This is the government's first major step towards reaching a social pact believed necessary for the success of its economic stabilisation plan and is an astonishing breakthrough in the effort to reduce monthly inflation, currently running at 21 per cent. The government hopes to repeat this victory in other sectors, and will begin talks with the textile industry next month.

Under the accord, reached late on Thursday night, the government has agreed to lower state and federal taxes by 12 percentage points in return for a 7.5 per cent cut in profit margins by manufacturers and a 2.5 per cent cut by dealers. Workers have agreed to delay a pay rise due next month until July in return for guaranteed job stability.

The move is of particular significance because of the prominence of the Brazilian motor industry, which is dominated by Autolatina (a joint venture between Ford and Volkswagen), General Motors and Fiat. It accounts for more than 10 percent of GDP and generates around 4m jobs. Protected from foreign competition since the 1950s, manufacturers have been able to raise prices way above inflation.

Although President Fernando Collor ended the ban on car imports when he took office in March 1990, import duties remain a stiff 50 per cent and despite the country's recession Brazilian car prices have risen an average 42 per cent in dollar terms in the last 15 months according to the Federation of Vehicle Distributors.

As a consequence sales have fallen drastically and Mr Collor's recent announcement of a cut in import tariffs – to 40 per cent from October – finally forced the manufacturers to the negotiating table to discuss how the notoriously inefficient industry could survive in the face of foreign competition.

In a series of sectoral meetings headed by Ms Dorothea Werneck, the national economy secretary, the manufacturers complained that they had been handicapped by the country's import ban on information technology and by taxes of 43 per cent – a level they claim to be the world's highest.

The aim of the accord, which will run for a 90-day trial period, is to step up sales and efficiency. The government also agreed to put forward a programme of fiscal incentives and subsidised credit to stimulate exports, while car producers pledged to invest $5bn (£2.8bn) over four years.

German armour used against Kurds

GERMANY said yesterday that Turkey had acknowledged using German-supplied armoured cars in clashes with its minority Kurds, Our Foreign Staff writes.

Mr Dieter Vogel, the government spokesman, told a news conference the Turkish government had confirmed that vehicles from the former East German National People's Army had been used in military operations in the Anatolia region.

"Armoured vehicles supplied by Germany... from the former National People's Army – armoured personnel carriers armed with machine guns – were deployed for monitoring, surveillance and observation," he said.

Bonn on Thursday accused Turkey of using German weapons against civilians and imposed a ban on arms sales to Ankara.

In Lisbon, the Portuguese presidency of the EC said it was seeking further clarification from the Turkish authorities and EC diplomats in Ankara about Turkey's attacks on Kurdish villages, before deciding on a common response by the Twelve.

"There are indications that the situation is much more serious than has been reported," the Portuguese Foreign Ministry said yesterday.

The EC diplomats refused to comment on what an EC declaration might contain, but an EC-wide suspension of military equipment to a Nato member is thought unlikely.

The presidency said it had raised the issue with its EC partners, even before the German government on Thursday suspended military supplies to Turkey and called for EC condemnation of the attacks on the Kurds.

Turkey's Prime Minister Suleyman Demirel sought to defend his security forces yesterday, arguing that Turkey's tactics against Kurdish rebels were no different from those Germany had used on its urban guerrillas.

US to buy new Russian reactor

By George Graham in Washington

THE US government yesterday said it would buy a Russian experimental nuclear reactor designed to power space travel, as part of a $14m (£8m) Russian space technology purchase.

The White House said the purchase of the Topaz reactor from Moscow's Kurchatov Institute would give the US access to its technology, which many scientists believe is not matched by any current US reactors, at a significantly lower cost.

The Topaz was originally sought by the Strategic Defence Initiative Organisation which runs the US "Star Wars" anti-missile defence programme, but for the past 15 months its purchase has been held up the Defence Department.

The disagreement encapsulates a contentious debate within the US government over what attitude to adopt towards the space, nuclear and military industries of the former Soviet Union.

Members of Congress such as Senator Pete Domenici of New Mexico, as well as some members of the administration, have argued that the US should buy equipment and services from Russia, both to obtain new technologies cheaply and to provide gainful employment for crucial scientists and engineers who might otherwise be tempted to sell their services to countries in the Middle East or the Third World and so contribute to the proliferation of advanced military technologies.

The Defence Department, however, has appeared reluctant to agree to such purchases.

The Topaz reactor will be acquired without nuclear fuel, and will be worked on at the University of New Mexico, in Mr Domenici's home state, to see how its technology can be adapted for use in the US space programme.

Rise in income boosts spending

By Michael Prowse in Washington

US PERSONAL income rose 1.1 per cent in February, the largest monthly gain for three years, the Commerce Department reported yesterday.

The surge in incomes, which exceeded Wall Street's expectations, helped explain the surprisingly robust recovery in US retail spending since Christmas. The higher spending has sparked speculation in recent weeks that the long-awaited recovery from recession is under way.

In real, inflation-adjusted terms, yesterday's figures showed a 0.6 per cent rise in personal consumption spending last month. Figures for January were revised to show a gain of 0.9 per cent.

Many economists expect higher consumption spending to underpin a modest growth of gross domestic product in the first quarter. Revised figures released on Thursday showed GDP growing at an annual rate of 0.4 per cent in the final quarter of last year, down from an earlier estimate of 0.8 per cent growth.

Officials said the rise in incomes last month was boosted by special factors including subsidy payments to farmers.

But an underlying increase estimated at 0.9 per cent reflected a sharp rise in non-farm employment and a lengthening of the average working week.

With personal savings rates low, the recovery of consumption spending is likely to be sustained only if employment continues to grow. Analysts are thus keenly awaiting employment figures for March, due out next week, which will provide a clearer picture of the economy's underlying momentum.

Warning on Bosnia as fighting kills 19

By Laura Silber in Belgrade

NINETEEN people were reported killed yesterday in fighting between Serbs and Croats in Bosnia-Hercegovina, after its government warned that law and order was on the verge of collapse throughout the central Yugoslav republic.

A three-member commission from Bosnia's collective presidency comprising Moslems, Serbs and Croats – the main national groups – yesterday arrived in Bosanski Brod, northern Bosnia, in an attempt to secure a ceasefire.

The fresh fighting could jeopardise the resumption of European Community-brokered peace talks on Monday in Brussels, where the national leaders will try to hammer out a plan for an independent republic divided into three ethnic units.

Tanjug, the Belgrade-based news agency, said 14 Serbs were "massacred" in Sijekovac, near Bosanski Brod. The report could not be independently confirmed. Croatian radio said an unknown number of people were killed in artillery and mortar battles around the town of mostly Croats and Serbs. A spokesman for the emergency council of Bosanski Brod, which is made up of Croats and Moslems, said three Croats died in the fighting.

The emergency council said the attacks were being launched by Serb irregulars backed by the Serb-controlled Yugoslav army, which has ignored the Bosnian presidency's order to withdraw from the town.

The situation in Bosnia has sharply deteriorated since March 1, when Moslems backed by Croats voted for an independent Bosnia. Serb leaders, who say Bosnia's Serbs want to stay with Serbia in a Yugoslav federation, yesterday promulgated a constitution for the "Serb republic of Bosnia".

Swiss urged to link currency with D-Mark

By Ian Rodger in Zurich

SWITZERLAND'S central bank should declare a floor rate for its ailing franc in relation to the Deutschmark, a leading Swiss economic research institute, Konjunkturforschungsstelle (KOF), has suggested.

The controversial proposal brings into focus a wider debate raging in Switzerland over whether the country can or should still conduct an independent monetary policy, given the trend towards stabilising currency exchange rates in Europe. By implication, the debate is also over whether the franc can be maintained as a stable haven currency.

If the Swiss National Bank (SNB) set a target exchange rate, as KOF suggested, the franc would in effect be pegged to the D-Mark, thereby making it no more or less stable than the German currency. Swiss interest rates would then rise to German levels.

The KOF proposal comes at a time when the franc is weak in foreign currency markets in spite of intervention by the SNB. Yesterday, it traded at SFr0.9115 to the D-Mark, compared with SFr0.89 at the beginning of the year. KOF suggested the central bank should set a target exchange rate of SFr0.91 or SFr0.92.

In its spring forecast published yesterday, KOF said the bank was in a difficult position because of uncertainty over Swiss participation in European institutions and the weakness of its economy.

Earth Summit may have trouble getting off the ground

Preparations for the Rio environmental conference have underlined North-South tensions, writes **David Lascelles**

PREPARATIONS for the world's largest environmental conference in Rio de Janeiro this summer are in danger of running into the sand. Delegates from the 160 countries that will attend the Earth Summit are grappling with an immense agenda and deep disagreements between rich and poor countries over who should pay for the world's green problems.

After four weeks of its final five-week preparatory meeting at the United Nations in New York, members have agreed little more than 10 per cent of the agenda. Many of the discussions on the main documents have become bogged down in detail.

Although the organisers have resorted to late-night sessions to deal with the backlog, the meeting will start its final week on Monday with a mountain of work still ahead.

"We were up till 1 am arguing over commas and brackets," moaned a weary delegate earlier this week.

On the face of it, the preparatory meeting has been overwhelmed by the sheer size of the task put before it. Delegates are being asked to approve thousands of pages of agreements and action programmes covering everything from greenhouse gases to the role of children in protecting nature. This was part of the democratic process whereby every member of the UN was entitled to put its green concerns on the table.

But observers say the torrent of words conceals deeper tensions – deadlock even – between national interests, in particular between the rich countries of the North and the poor countries of the South.

The Third World sees the summit as an opportunity to press the industrialised world for more aid. Thus, the summit agenda has been expanded far beyond immediate green issues to include the eradication of poverty, liberalisation of world trade, and large-scale transfers of technology from North to South. The Group of 77 Third World countries with Pakistan as its spokesman has proposed a new "green fund" as a conduit for fresh aid.

Although the North is prepared to make some fresh funds available, it is equally determined to resist what it considers to be unreasonable demands for money. And that, in turn, is jeopardising proposed agreements to safeguard the natural environment – biological diversity, forests, oceans, the atmosphere – all of which will require large amounts of money and technology.

Mr Maurice Strong, the summit's Canadian organiser, presented delegates at the outset with detailed estimates of environmental clean-up costs running to more than $100bn (£58bn) a year. But he now concedes that the New York meeting is unlikely to agree any document with hard money numbers in it.

"There will be agreement on the basic principle of new and additional resources," he says, "and some broad agreement on the framework and mechanism that will permit decision on final commitments – which can only be made at Rio."

It will certainly be an achievement if the agreement includes the words "new and additional resources". These are the buzz words which would imply that the North has accepted the need to provide new money specifically for the environment – which is likely. But the North will avoid committing itself to actual sums, whether expressed in dollars or as a percentage of GNP.

Mr Curtis Bohlen, the representative of the US, which has been taking the toughest line at the talks, injected some excitement into the proceedings when he used the magic words for the first time on Tuesday.

But he hedged the US commitment by stating that new money would have to come from "public and private sources", and would have to be efficiently used.

The fact that President George Bush has not yet even agreed to attend the summit points to the depths of US reservations, not just about money but about economic measures to curtail harmful emissions which might also stifle the US economy in this election year.

The expectation is that the North will end up agreeing to make an extra $3bn-$6bn available for Third World aid specifically tied to environmental goals. But it will insist that the money be channelled through an existing institution, such as the World Bank's three-year-old Global Environment Facility. This is a far cry from the figures being proposed by Mr Strong. But as a concession, the North may also agree to give the Third World a greater say in how the GEF spends its money.

"It's not as bad as it looks," says a delegate from an EC member country. But this is not a view shared by the wider ranks of country representatives and lobbyists.

Mr Gordon Shepherd, an official with the World Wide Fund for Nature, decries what he sees as "a lack of political will" by Earth Summit participants to get to grips with a looming environmental crisis. Mr Martin Khor Kok Peng, a member of the Commission on Developing Countries and Global Change, says: "The South is rather disappointed."

It is always possible that the urgency of the final week's deadline will hasten the pace. But it is unlikely to alter the fundamentally opposed positions which have been exposed by the talks so far.

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US and France in last-ditch effort to solve air row

By William Dawkins in Paris

THE French and US governments are to make a last-ditch attempt next week to resolve a deadlock over dividing capacity on transatlantic air routes. If it fails, there could be restrictions on flights in the next few weeks.

The row is over US demands for a more than 40 per cent average rise in the number of seats alloted to US airlines this summer on routes between France and the US.

France's Direction Générale de l'Aviation Civile (DGAC) says this is far too much to ask, on the grounds that air travel between the two countries is expected to rise by only 10 per cent this year and that US airlines already have the lion's share of Franco-American transatlantic travel.

The DGAC and the US Department of Transport will meet in Washington early in the week to try to settle the row, which has been building up since their annual talks on the share-out of transatlantic air route capacity began in December. France will apply from tonight the 15 per cent average increase it is prepared to accept in transatlantic flights from the eight main US airlines, said a senior DGAC official.

However, France will not apply the 15 per cent rise evenly to all US carriers. It is planning to freeze flights by TWA and Continental Airlines at last year's levels, on the grounds that they are trading under Chapter 11 protection from creditors, considered an unfair advantage.

Other carriers would accordingly get more generous treatment, within the overall limits. Failing agreement, any flights from the US above these levels could be refused landing rights in France, said the official.

"We are at the foot of the wall. Enough is enough. We don't see how companies unable to pay their bills should develop their businesses," he said. US airlines already occupied 70 per cent of the routes between France and the US, a steep rise over the past eight years, because of their greater capacity. Air France and its subsidiaries take the rest.

There could be restrictions on transatlantic flights in the next few weeks if there is no agreement

This is roughly in line with the share-out between Germany and the US, though Britain has achieved a more favourable share of routes with the US. The share-out of transatlantic capacity is still negotiated between individual European governments and Washington, an issue not yet covered by European Community air travel deregulation.

A bigger swing in the US favour would make it harder for Air France to allocate capacity to independent French airlines, a condition of EC deregulation, said the DGAC. Industry officials accuse US airlines of dumping, using high internal fares to subsidise transatlantic routes and undercut European competitors. Air France was unable to comment.

Adelaide News forced to close after 69 years

By Kevin Brown in Sydney

THE Adelaide News, the afternoon newspaper which formed the base for Mr Rupert Murdoch's international media empire, closed yesterday after losing a long battle against falling circulation and revenue.

The closure of the News follows its sale to a group of local businessmen in 1987 as part of a deal in which News Corporation, Mr Murdoch's media group, acquired the Herald and Weekly Times (HWT) group of newspapers.

Ironically, the closure gives a monopoly of south Australian daily newspaper circulation to the Adelaide Advertiser, a morning newspaper acquired by News Corporation as part of the HWT deal. News Corp also owns the city's only Sunday newspaper and its largest chain of suburban weeklies.

Mr Tony Baker, editor of the News, said the closure was forced by "a simple inability to get the readership and the advertising that we needed for survival". Mr Baker said the newspaper would honour a redundancy agreement with 54 journalists, photographers and artists.

Mr Murdoch inherited control of the News, which was established in 1923, from his father, Sir Keith Murdoch, a prominent war correspondent in World War One, who developed the newspaper into a major metropolitan daily.

He joined the newspaper as a cadet reporter in 1953, and became managing director in 1959. The News then became the launching pad for Mr Murdoch's assault on the Australian media, subsequently extended to the UK and US.

News Corp is now the biggest newspaper publisher in Australia. Other assets include five UK national newspapers, a half share in the BSkyB satellite TV business, and a US TV network and film studio.

The group is still registered in Adelaide, and holds its annual meetings there. However, it has long been managed from the US, where Mr Murdoch has lived since becoming a US citizen.

The News was the last afternoon metropolitan newspaper published in Australia, following closures in other capital cities over the last five years.

News Corp merged its tabloid morning and afternoon newspapers in Melbourne and Sydney last year.

Final edition: Managing director Roger Holden (left) and editor Tony Baker read the last issue of the Adelaide News

Brazil seeks quotas for exports of coffee

By Bill Hinchberger in São Paulo

BRAZIL, the world's leading coffee producer, hopes to achieve an international accord using export quotas to spread the responsibility for maintaining prices, according to private sector sources.

The government announced a 10-point set of principles to guide its position in talks on the International Coffee Agreement in London early next month. Brazil favours a quota system covering all coffee exports, thus avoiding two-tier markets. One of the main reasons for the collapse of the last agreement in July 1989 was the sale of coffee outside the agreement at lower prices.

It wants "realistic" prices without stimulating "excessive growth in production", and argues that each country's quota should reflect its "real capacity" to supply the market, considering stocks as well as production and export capacity.

The Brazilian government also argues against "distorted commercial policies" – which observers understand as criticism of official subsidies in countries such as Colombia.

NEWS IN BRIEF

Bonn to alter guarantees to Airbus Industrie

Bonn is to alter guarantees it gives the German arm of Airbus Industrie to protect it from currency fluctuations, an economics ministry official said, Reuter reports from Bonn.

The official confirmed remarks by a senior official at Europe's Airbus Industrie in Seattle on Thursday that the guarantees for Deutsche Airbus, a unit of Daimler-Benz, would be adjusted so they no longer ran counter to Gatt regulations.

A General Agreement on Tariffs and Trade (Gatt) dispute panel ruled in January against the exchange rate guarantees saying they were a subsidy distorting industry competition.

Azerbaijan denies agreeing to talks over Nagorno-Karabakh

Azerbaijan yesterday denied it had agreed to tripartite peace talks with Armenia and representatives from Nagorno-Karabakh, showing the two republics to be as far apart as ever the Transcaucasian enclave, writes Leyla Boulton in Moscow.

But last night Mr Mahmud Vaezi, the Iranian deputy foreign minister, said after a shuttle diplomacy mission that a meeting would be held early next week with negotiators from Armenia, Azerbaijan, Iran and Russia.

Greece in talks with Macedonia

Greece has started unofficial talks with Macedonia in an attempt to resolve a dispute over the name of the breakaway Yugoslavia republic, writes Kerin Hope in Athens.

The Greek move came in response to pressure from the US, which has made clear that it will recognise all the newly independent republics.

Officials said US President George Bush had agreed to a request from Mr Constantine Mitsotakis, the Greek prime minister, to postpone recognition of Macedonia but on condition that the Greeks opened direct talks on the issue.

Mitsotakis: issue could topple his government

Mr Mitsotakis is understood to have told the US president in a telephone conversation that his conservative government, with only a two-seat majority in parliament, could be toppled over the Macedonian question.

Greece argues that the breakaway republic has no right to the name of Alexander the Great's ancient Greek kingdom.

EC backs Dutch on Indonesia

The Dutch are likely to get backing in their aid row with Indonesia from the rest of the European Community which has taken a firm diplomatic stand against last year's killing of protesters in Indonesian-annexed East Timor, EC diplomats said in Brussels yesterday, writes David Buchan in Brussels and William Keeling in Jakarta.

The Dutch foreign ministry said yesterday that it accepted Jakarta's decision to reject its aid and chairmanship of the consortium of official aid donors to Indonesia.

India moves to extradite former Union Carbide chairman

India is to seek extradition from the US of the former chairman of Union Carbide, Mr Warren Anderson, so that he can be tried at Bhopal on charges of criminal negligence, writes KK Sharma in Delhi.

Mr Gulab Sharma, chief judicial magistrate of Bhopal, yesterday issued a warrant of arrest so extradition proceedings could begin against Mr Anderson.

Over 4,000 people died and at least 200,000 were injured after a gas leak at the Bhopal plant on December 3-4, 1984.

Algeria to release some detainees

The Algerian authorities yesterday announced that they would release some of the 6,786 people "administratively" detained in five internment camps in the Sahara desert, writes Francis Ghiles.

Amnesty International said the high cost and length of time necessary for the journeys make it virtually impossible for families to visit detainees.

ELECTION 1992

Ashdown to stand firm on Europe

By Ralph Atkins

MR PADDY Ashdown, the Liberal Democrat leader, last night stressed his party's commitment to a single European currency and criticised Britain's delay in joining the exchange rate mechanism.

Because Britain was late to join the ERM, "we were late in the battle against inflation and under Mr Major and Mr Kinnock, we will be late to join a single European currency. But join we must," he told a rally in Leeds.

He is expected to make clear at the weekend that the Liberal Democrats would insist on a more pro-European stance if they were to form a government with either Labour or the Tories.

The Liberal Democrat leader will use a trip to Bologne tomorrow, where he will meet other European Liberal party leaders, to set out his party's policy on Europe and indicate how he would use any negotiating muscle he has after April 9 to push for Britain to back a single European currency.

Mr Ashdown also heightened yesterday the priority he would attach to Scottish devolution in a hung parliament. "It is inconceivable that we would agree to a programme for the next parliament which did not include a commitment to legislate for a Scottish parliament," he said.

In the course of the campaign Mr Ashdown has made proportional representation the main condition of any pact, but has also gone some way to outline other elements of the deal he would seek. These would also include a significant increase in spending on education. He said more conditions may be set before April 9.

The education, PR and home rule policies are all areas Labour would have less difficulty than the Tories in accommodating.

His comments at a press conference in Edinburgh came as opinion polls showed a further slip in Liberal Democrat support in Scotland. Mr Ashdown described Scottish home rule as "the first step" in the reform of the UK political system.

However, he again insisted that law for PR at Westminster remained the overriding condition for a post-election pact.

Mr Ashdown denied that his stance was alienating Scottish voters. There was a growing perception that a Scottish parliament could not become entrenched until electoral reform ensured a government was able to pass the legislation in the first place and then prevent it from being repealed.

A System Three poll for the Glasgow Herald newspaper showed Liberal Democrat support tumbling to 7 per cent, compared with 19 per cent at the 1987 general election. The party is defending 10 seats in Scotland, almost half its parliamentary strength. Mr Ashdown knows he would not hold his party together if he did not insist on home rule should he have influence over the government after the election.

In many of their Scottish seats, the Liberal Democrats originally won support because they had the best chance of beating the Tories. Now the Conservative vote has shrunk, and some former supporters may switch to Labour or the Scottish nationalists.

Mr Ashdown will not say what he compromise on in the event of a hung parliament.

Major looks to an international stage

By Alison Smith and Ivor Owen

MR JOHN MAJOR yesterday sought the high ground in the election campaign yesterday with a vision of the UK's role under a Tory government in shaping a new, wider Europe of nation states.

"I do not believe any other party could build it. This golden chance might slip away unless we can raise people's imagination."

The coming election would be a "watershed". There would be a clear-cut choice over a range of issues such as education, health and taxation.

His remarks, to a Tory audience in the Labour stronghold of Pontypridd, Mid Glamorgan, came as Mr Michael Heseltine, environment secretary, kept up the Tory attack on Mr Neil Kinnock, who he labelled the "artful dodger" with a proven record of misjudgment on important issues.

Questioning the ability of the Labour leader to protect Britain's interests in Europe and the wider world, Mr Heseltine said he had been "wrong on all the major issues of our time".

Mr Heseltine fiercely condemned what he said were Mr Kinnock's about-turns over Britain's membership of the European Community and the need for an independent nuclear deterrent, and his attack on the outcome of the EC summit at Maastricht.

Speaking in Battersea, south London, Mr Heseltine insisted "to get the five greatest judgments of our time wrong, and to get nothing right is not a record upon which to elect a prime minister of this country."

He said Mr Kinnock's "only consistent policy is advocating causes today that he betrayed yesterday". He was "a dodge-about leader of a dodgy party".

In a day's campaigning which has veered between attacks on Labour and Mr Major's vision for Britain, the Tories seem to have concluded that pointing up the contrast between the parties holds the best prospect of making the positive and negative points.

Mr Major sounded relaxed and assured as he mocked Labour's ability to sustain the UK's high international standing. "They barely know where Europe is," he said.

Once again, he warned that Labour would "wreck the chances of economic recovery", and condemned their tactics on the health service.

Party spirit: Chris Patten, John Major and Michael Heseltine put forward a confident campaigning front to the cameras yesterday

Tony Andrews

Hopes fade for big swing to SNP

IN SCOTLAND the signs are that Labour is consolidating its traditional position as the leading party and that the Scottish National party is not making the big breakthrough it had been hoping for. **James Buxton writes.**

The Tories, meanwhile, are static and support for the Liberal Democrats appears to be falling to dangerously low levels.

Opinion polls suggest that Labour has the support of at least 42 per cent of the Scottish electorate. A System Three poll for The Herald newspaper, published yesterday, showed Labour on 44 per cent, a rise of 6 points since February.

The same poll, taken between March 19 and 24, showed a 2-point drop in support for the SNP to 26 per cent, a level roughly consistent with other polls.

Two polls this week put the Tories on 22 per cent, while System Three put support for the Liberal Democrats down 2 points at only 7 per cent. Other polls have put them on 9 per cent.

That means Labour might win 50 of the 72 Scottish seats, as it did in 1987. Backing for the SNP is running at twice its 1987 level, but majorities in Labour-held seats are mostly so large that the nationalists stand little chance of taking more than one or two seats from it.

The outcome in terms of seats for the SNP, the Tories and the Liberal Democrats depends on the shift of relatively few votes among four parties in marginal seats.

Nevertheless, broadly speaking, the SNP stands to gain a few seats (it has five, although one came through a defection from Labour), the Tories to lose a few (they have nine) and the Liberal Democrats to lose some (they have 10).

True blue shires on defensive as tide threatens to turn

By David Marsh

BESET BY the recession, Tory candidates have been forced on to the defensive across a swathe of true blue England.

Labour and the Liberal Democrats remain vulnerable to Conservative charges that their plans for increased spending would require higher tax rises than they admit.

Yet the Conservative runners in three highly disparate Tory constituencies – John Biffen in the safe seat of North Shropshire, David Amess in Basildon and John Taylor in Cheltenham – are aware that the electoral tide may be turning.

Mr Biffen, chief secretary to the Treasury in Margaret Thatcher's first government, is the only member of the 1979 cabinet standing for re-election. He has been MP for the constituency since 1961.

Ensconced in his comfortable house near Offa's Dyke, Mr Biffen speaks with the frankness of an iconoclastic elder statesman defending an impregnable 14,415 majority.

He senses a swing away from the Tories, especially in the commuter towns closer to the industrial outcrops of the Midlands to the east of his constituency. "I suspect the polls are right in assessing a revival of Labour fortunes."

The government has "blotted its copybook" over the economy, health, education, crime and, above all, the community charge, says Mr Biffen, who was among about 30 Conservative MPs who voted against the poll tax in the Commons. In the eyes of constituents, he says, "this has done me no harm".

He expresses mild surprise that Labour is not farther ahead in the opinion polls.

Cutting the figure of a Victorian parson, Mr Biffen tours his patch of 60 villages with his wife and shooting-stick. He avoids asking householders their voting intentions as this would be "an intrusion".

In Essex, the campaigning style is more brusque. Mr Amess, who won Basildon in 1983 and had a 2,649 majority in 1987, travels round his constituency with a team of clipboard-carrying canvassers. His motorised caravan blares out the jingle "David is the man for you".

Basildon, a new town which at 42 is two years older than Mr Amess, has suffered a sharp downturn in the local economy, both in manufacturing and services. Unemployment stands at 10.2 per cent, more than double the level of two years ago.

Lionel Webber, vicar of St Martin's Church in the town centre, who helps run the local unemployment advice office, says that the hopes of many have been "knocked flat" by the downturn. But many Tory voters who achieved prosperity during the 1980s will stick to the Conservatives "even though it's beginning to crumble all around them", he says.

Pressed about the effects of the recession, Mr Amess says he is happy to be the "underdog" in the tussle with the Labour candidate, John Potter, a former computer manager in Ford's nearby research centre.

Ragged Tory nerves are also on display in Cheltenham, a Conservative fiefdom for most of the post-war period, where Mr Taylor, a barrister of Jamaican origin chosen as Tory candidate following the retirement of the long-serving MP Sir Charles Irving, faces a struggle to hold on to the 4,896 majority.

The principal challenge comes from the Liberal Democrats, who run the borough council.

Mr Taylor tours the shops telling voters that the downturn in the local economy – where many jobs in companies such as Smith's Industries and Dowty are defence-related – has been caused by the world recession and "the end of the cold war". He accuses Nigel Jones, the Liberal Democrat candidate, of being "a socialist".

Mr Taylor has made an impressive effort to put down roots in Cheltenham, but the national mood and some Conservatives' antagonism towards a black candidate may count against him.

General elections are frequently lost by governments rather than won by oppositions. The contest on April 9 looks likely to be decided not by the persuasiveness of opposition policies, but by the government's tarnished record.

If there are signs of fraying nerves among the Tories in the shires, it may be because they are starting to ponder how to allocate the blame.

Few women MPs likely

FEWER THAN one in five of the main political parties' election candidates is a women, according to an Electoral Reform Society analysis carried out after the close of nominations.

Although there has been a 250 per cent growth in the number of women candidates since 1979, only 10 per cent of MPs at most in the next parliament are likely to be women, the society says.

Electoral reform – with either a single transferable vote and multi-member constituencies, or the German "additional member" system – would be needed in order to change the imbalance in the sexes in parliament, the society concludes.

Poll gives Labour 2-point lead in capital

By Gareth Smyth

LABOUR has taken a two point lead in the battle for London, according to a Harris poll for London Weekend Television published last night.

The poll puts Labour on 42 per cent and the Conservatives on 40 per cent. This represents a remarkable turnaround since the 1987 general election, when the Conservatives led by 15 per cent, and indicates a swing of 8.5 per cent, which would give Labour 21 Conservative-held seats in the capital.

Repeated nationally, that would put Mr Neil Kinnock on the edge of a parliamentary majority. The poll sample was 846, and fieldwork was conducted between Monday and Wednesday.

Neither of the Conservatives' trump cards seems to have impressed Londoners. Although Mr John Major has a 14 point lead over Mr Kinnock as "best prime minister", only 4 per cent cited party leaders as one of the "most important issues". Just 11 per cent of the poll sample mentioned taxation as "the most important issue regarding the national economy", with 37 per cent of the sample naming unemployment as the most important.

This latest regional poll shakes a traditional Conservative assumption that Conservative strength in crucial parts of the country might prevent Labour from translating a national poll lead into parliamentary seats.

National polls are snapshots of voting intention, accurate to within 3 per cent. They are, however, inadequate as a guide to the likely outcome of the general election, because the key marginal seats are unevenly distributed across the country.

Sixty five of the 94 Tory-held seats which Labour probably needs to win to gain a parliamentary majority are in London, the north west of England and the Midlands. It is within these three regions that the outcome of the election will be decided.

Any translation of national polls into terms of prospective regional voting trends come with psephologists' health warnings. Sample sizes are not designed to be representative of the particular region. However, from three of the most substantial breakdowns, a hazy regional pattern emerges.

A "Gallup 9,000" poll interviewed nearly 12,000 people between February 19 and March 17. The BBC political unit has twice compiled regional patterns from its "poll of polls", using figures only when 1,000 people were questioned in each region. The first covered polls from March 11-18, the more recent March 19-25.

All three analyses indicate a national Labour lead of about 1-2 per cent. The "Gallup 9,000" and the earlier BBC breakdown offered some comfort for the Conservatives in London and the north west.

The BBC found an 8.5 per cent swing to Labour in the Midlands, netting Neil Kinnock 24 Conservative-held marginals, but its suggested London swing of 6 per cent would have seen only 12 of Labour's 21 desired seats in the capital change hands. That tallied with Gallup's findings.

The most recent BBC regional breakdown, broadcast last night, supports the Harris poll finding that London is now moving more substantially to Labour. It puts the swing to Labour in the capital at 8 per cent.

The BBC political unit now projects that Labour will win at least 83 Conservative-held seats, leaving Mr Kinnock as leader of the largest party but about 14 seats short of an overall majority. Any small shift in the regional pattern may still be crucial.

Opposition focuses London attack on unsafe Tory seats

By David Owen

LABOUR will start withdrawing party workers from its safe seats in London this weekend to concentrate its attack on Tory marginals in the capital.

The tactical switch comes in the wake of a Harris/LWT poll giving the party a two-point lead in the capital and indicating that it is within striking distance of making the gains it needs in order to put Mr Neil Kinnock into 10 Downing Street.

The Labour party will withdraw workers from seats that it holds with a comfortable majority and from safe Tory seats to campaign in the 25 or so marginals which it has identified.

The move was described by the Tories as "the decision of a party that is desperate". Conservative Central Office said Labour had "conceded defeat" in the capital by admitting there were "vast swathes" of London it could not win. "What they are saying is the best they can ever do is just scrape into power." The Conservatives hold 58 seats and Labour 23 of the 84 Greater London seats.

The Tories - working, they say, to a preordained plan - will also step up their efforts, putting emphasis on face-to-face contact with voters and aiming to "peak at the right time".

The Liberal Democrats plan to conduct a weekend examination of canvass returns to determine whether their list of targets should be modified.

The party's decision to concentrate on seats where it has strong council representation has produced a set of priorities in which Sutton & Cheam (Tory majority over Lib Dem 15,718) is a top-drawer target, but Islington South and Finsbury (Labour majority over Lib Dem 805) is not.

House call: John Maples canvassing in Lewisham

An effort to make some capital in vital marginals

David Owen finds the Conservatives are on shaky ground in south London

MR John Smith, a cleaning inspector with Merton council, has always voted Conservative. But not this time. "There's every danger of me losing my job next year," he says, explaining the Labour poster above the wistaria in his front-room window.

If enough recession-hit Tory voters break the habit of a decade and follow Mr Smith's example, Mitcham and Morden (Conservative majority 6,183) will fall. Such a result would not be without irony: it was on the back of the last recession that Mrs Angela Rumbold, home office minister, won the seat in 1982, in the Conservatives' only by-election gain during 13 years in office.

Mrs Rumbold is one of three ministers in marginal south London seats facing stiff challenges from Labour. A 6.5 per cent capital-wide swing to Labour could account for her, Mr Colin Moynihan, a junior energy minister, in Lewisham East and Mr John Maples, the number five in the Treasury, in Lewisham West.

Although Mitcham and Morden has more of the air of suburbia than the partly inner-city Lewisham seats, what will largely determine the outcome in each contest is who most strongly appeals to the C2s, the skilled working class.

Many of these people have been hit hard by the recession, by unemployment – which has risen sharply over the last year in all three seats – or by tumbling property values, coupled with unmanageable monthly mortgage repayments. It is hardly surprising that Mrs Rumbold is "extremely anxious to see a stable lowering of interest rates".

The three campaigns will accordingly be linked by several common threads.

Labour's strong suits will include the state of the south-east economy and the decrepitude of much public transport – the constituencies are home to thousands of commuters.

The people's party will also seek to play the health card by highlighting voters' concerns about the centralisation of hospital facilities. It will hammer away, too, at its popular proposals for a strategic London government, which the Tories are portraying as tantamount to reviving the Greater London Council.

Constant Conservative themes will be the inefficiency of the Labour-run Merton and Lewisham councils and the perniciousness of opposition tax proposals as set out in the shadow Budget.

As a sub-text, the Tory campaigns are all likely to impress upon voters that having a minister as your MP has its privileges. "We are trying to get across to people that it helps to have a voice in the lobby," says a Moynihan aide. The proof, both Lewisham MPs will argue, lies in the re-routing away from their constituencies of the planned Channel tunnel rail link.

The three contests throw up intriguing contrasts of style.

In Mitcham and Morden, Labour's Ms Siobhain McDonagh is as cheerfully personable as Mrs Rumbold can sometimes appear forbidding. She is steeped in the local politics of the neighbourhood, but cannot match Mrs Rumbold for gravitas or authority.

A housing consultant, she is well placed to attack the government's record on this potent local issue. The value of homes in Merton is estimated to have fallen 11 per cent in the last three years.

In Lewisham West, the urbane and telegenic Mr Maples faces Labour's Mr Jim Dowd, who has been a local councillor for 20 years, exudes local knowledge and is clearly a practical politician down to his fingertips. "We are the only London borough with wheeled dustbins," is a typical claim. He contends that the Channel tunnel link fiasco has put back on the agenda Lewisham's lack of Tube stations.

In a contest that may turn personal, Mr Dowd will attack his opponent's north-of-the-river residency: "The way he tells it, you would think it was the transarctic expedition to get here."

In Lewisham West, the energetic Mr Moynihan's campaign is picking up after a slow start. Confronted by Ms Bridget Prentice, a wry Scot whose husband is contesting Pendle for Labour, his strategists say he will similarly question his opponent's commitment to Lewisham.

In 1987, Ms Prentice ran in Croydon Central against Mr John Moore, one of Mr John Major's predecessors as Mrs Margaret Thatcher's heir-apparent.

Having won more than 20 per cent of the vote five years ago, the Liberal Democrats may be more of a factor here. The party held on to a seat in a council by-election last week in spite of what Mr Julian Hawkins, the party's candidate, describes as a real improvement in the other parties' campaigning.

ELECTION 1992

Kinnock pledges action on health service

By Michael Cassell

MR NEIL Kinnock, the Labour leader, last night tried to turn the election into a referendum on the National Health Service, claiming that the NHS would be completely broken up if the Conservatives were returned to office.

Speaking to supporters in Glasgow at the end of a week in which the health service has dominated the campaign, Mr Kinnock said the Tories had not dared subject any element of their health proposals to the democratic judgment of the voters.

He claimed that the election of a Labour administration would stop the NHS from being run "like a stockbrokers or a chain store". Under the Tories, he said, the NHS would become a "patchwork quilt of of profit centres".

Earlier in the day Mr Kinnock rejected suggestions that Labour had been damaged by the row over its party election broadcast based on the case of five-year-old Jennifer Bennett, and said the controversy, which had prompted enormous public support, was injecting fresh energy into the party's campaign.

Mr Kinnock told the Glasgow rally that the Conservatives were "utterly determined to go on bulldozing, extending the commercialisation of the health service, pushing the market into every nook and cranny of care, multiplying the army of business managers, spreading the opt-outs, turning every hospital into a trading unit, every general practice into a small business".

Broadening his attack on the Tories, the Labour leader said the voters had only "13 days more to endure". He said the Tories knew that they were losing the campaign and that their "sour, drab appeal to selfishness" was making no impact.

He added that in their desperation ministers had abandoned any pretence of positive campaigning and had been forced to resort to calling for help from Mrs Margaret Thatcher, the former prime minister. Mr Kinnock said: "They brought in John Major because he wasn't Margaret Thatcher. Now they've brought in Margaret Thatcher because she's not John Major."

Mr Kinnock attempted to lay the blame for the recession firmly on the shoulders of Mr Major, claiming that the prime minister was trying to persuade everyone that he had inherited the nation's economic problems from someone else.

He attacked the government for its inaction in addressing the problems of the recession, and claimed it had not made any serious effort to solve the country's economic difficulties.

He criticised Mr Major for claiming that the Conservatives intended to build on the successes of the 1960s and the legacy of Mrs Thatcher. He told the rally that all they could build on was a legacy of increased poverty, homelessness, rising unemployment and industrial decline.

Mr Kinnock added that on election day the choice before the electorate would be a Tory party the people no longer trusted and a Labour party which would work for the whole nation's interest.

The Martins

Bickering gets on family's nerves

The Martins, the FT's family of floating voters, give their views on the second week of the campaign

HEALTH matters trapped the Martin family this week.

By the end of it, Keeley and Westley, the youngsters, had bad throats but wanted pastilles and sympathy rather than an operation. Lyn started work again at the Yardley Green part of East Birmingham Hospital after a lengthy sick leave and moved into the preparations for merging two wards into one. And, with growing distaste, the family watched Conservative and Labour politicians wage the War of Jennifer's Ear.

Clearly the politicians and their treatment of the health issue this week have done little to encourage the Martins – Lyn, Tony and their elder son, Russell – to come off the fence of their indecision about voting.

"The bickering is getting on everybody's nerves," said Lyn.

"It's the two parties, but it's not a two-party fight," said Tony. "The Lib Dems are the only ones who have come out of this with any credit."

"Diabolical," added Russell, "harping on it [the case of Jennifer Bennett] and Labour keeping on bringing it up as a slur on the Tories. It's like two kids in the street arguing – 'you done this, you done that'."

The Martins were moved by the Labour election broadcast, though dubious about its taste. The aftermath left them cold. "Where do we put our trust?" queried Lyn.

"The only one so far is Paddy Ashdown," Tony replied. "They've not led anybody up the garden path," he said of the Liberal Democrats.

The Conservatives and Labour have been doing themselves no good, argued Russell. "Both parties set out their goals and what they want to achieve. They're just hindering themselves with this silly bickering."

In any case, the Martins' perception of the NHS, like that of many others, is coloured more by their own experience than the political bandying of statistics. Lyn thought the waiting list question had been blown up out of proportion. "Three years ago Keeley had tonsillitis. The out-patients department saw her on January 29, she was in at Easter and operated on."

"It was the same with me," continued Lyn. "I was referred and seen in within six weeks for a major operation." That was last year, at Solihull District General.

"It was the same with the other girls in the ward. One of them had paid a consultant initially: she didn't get in any quicker."

"They said 10 to 12 days [to be sent home] and I was out in seven," Lyn commented.

"But if you're trying to cut waiting lists, they need the bed," Tony came back. "There always will be a two-tier system. You won't stop people paying consultants. No government will change that."

The family agreed that funding the National Health Service was like pouring money into a bottomless pit: there never will be enough.

"They've all promised to put money into the NHS, but where's it going to come from?" Lyn asked.

"Only one party said you'll have to pay for it," replied Tony.

"Paddy Ashdown," chimed Russell. "He's kept himself aside from this," he noted of the Jennifer affair. "He's said you will pay more and this is what we're going to do."

However, at the end of a week when health had overshadowed every other issue, Tony had a reminder: "The election is not one issue."

Paul Cheeseright

War of Jennifer's ear ends in draw

By Ivo Dawnay, Political Correspondent

THE SOUND and fury over the fate of Miss Jennifer Bennett at the hands of the National Health Service looked set to end with a whimper last night as both main political parties exhausted their supplies of righteous indignation.

As early as yesterday morning, both Mr Neil Kinnock and Mr John Major appeared to be sending lightly coded messages through their news conferences to each other that it might be best to call a draw.

Barring fresh revelations – the melodrama, complete with comic scenes of journalists interviewing journalists before the television cameras and behind-the-scenes spin-doctors taking walk-on roles, had become too incestuous a soap opera to merit endless repeats.

Two big questions remain unanswered. Perhaps it will never be known how The Independent and the Daily Express got the name of Miss Bennett, whose delayed ear operation was presented by Labour as a symbol of the inadequacies of the NHS.

Yet the more self-critical analysts were yesterday asking: who really cares?

The central justification for the lashings of moral outrage that the case engendered was, after all, entirely false. This was that Jennifer's life had been ruined by the press attention that was, it was alleged, gratuitously triggered by a leak from a political party as yet unidentified.

This argument was weakened by the cheerful face of the child before the cameras and her parents' relaxed, even amused on appearance on C4's Midnight Special programme.

But what of the political impact of it all? Sunday's opinion polls may give answers, but some assumptions can be made.

The mud-slinging, for example, must have confirmed the prejudices of anti-politician sentiment – a response that must augur well for the Liberal Democrats.

The protests of Mr Patten and Mr Major that the film was inaccurate must equally have found a resonance with the party faithful, just as Mr Kinnock's, on occasions intemperate, attacks on the government and the Tory tabloids will have fuelled the prejudices of those who dislike him.

Add to this the sloppy provision by Walworth Road of other examples of NHS delays or slip ups, later proved inaccurate, and the "You Can't Trust Labour" slogan was given added weight.

The official Conservative Central Office theory that the row successfully obscured Labour's promise of an extra £1bn for the NHS must also carry some credence, though how much it is hard to gauge.

On the other hand, the Tories suffered from losing time to push their own agenda.

The media clamour blew once and for all the government's chance to tell its side of the NHS story.

Mr Waldegrave's chorus line of distinguished doctors, gathered to promote the Tory reforms, were also rendered redundant.

Many neutral observers agree with Labour that the mere mention of health in an election, whatever the circumstances, is a bonus for their campaign. And that the "two-tier" NHS charge is now common currency.

For the Conservative party, whose prime electoral pitch is competence and the integrity of its leader, it was a poorly managed affair.

Lydia van der Meer

Time for reflection: Neil Kinnock ends the second week on the election trail

THE ISSUES: LOCAL GOVERNMENT

Thatcher's flagship heads for the breaker's yard

WITH POLL tax demands landing on doormats this week and next, Mrs Thatcher's flagship is set to make a last blazing appearance on its way to the breaker's yard. Which is ironic, since the parties are less divided on local taxation than on most other aspects of local government.

By next April, local taxation will return to a system of property rates, whoever wins. The Liberal Democrats are campaigning on a local income tax, but in a hung parliament they would be in a weak position to demand a third change to local taxation in as many years.

The argument is about the form the rates should take. Mr Michael Heseltine's banded council tax keeps down the cost for more expensive houses, with single-person discounts to safeguard those who, he argues, were penalised by the old rates.

Mr Bryan Gould, his Labour shadow, intends to retain neither banding nor discounts in his "fair rates", and is also threatening to go back to 1973 valuations, which would yield a peculiar crop of winners and losers.

There is also broad underlying agreement on the other local-government issue in the election limelight – the move towards single-tier authorities. All three parties favour a unitary system based largely on existing district councils. Whoever wins, next year's county elections will probably be the last for most of England and Wales.

The manifestos offer starkly different visions of the role of town halls

The manifestos offer starkly different visions of the role of town halls. If the Tories win, it will be more of the same – tendering, annual rate-capping, efforts to reduce spending, erosion of powers – with schools clearly the next target for removal from council control.

Under Labour, capping and compulsory competitive tendering would go, the business rate will be returned to local control, councils will once more become housebuilders, they will keep their schools – although devolved budgets and local management will continue – and will be given a general power of competence to take on other functions as they wish. The Tories oppose the lot, claiming the general power of competence alone will cost about £3bn a year in extra rates.

Labour's packaging, and many of its policies, are radically different to pre-1979, let alone the 1980s. To counter the London and Liverpool "loony left" image which used to dominate Labour's local-government profile, the party has been successfully marketing the likes of Oxford, Manchester, York and Islington in north London as studiously progressive authorities.

York is Labour's model council, boasting a Citizen's Charter years before John Major thought of the idea. Launched in 1989, York's charter comes complete with a tenants' charter and customer contracts for refuse collection and street-cleaning, making the staid minster city a plausible Labour riposte to Wandsworth, the Conservatives' showpiece borough in south London.

It brings in the votes too. The council, run by the Tories until 1983, now has a crushing Labour majority – which Labour's candidate Mr Hugh Bayley, a former Camden councillor, is confident will help eradicate the 147-vote majority of the sitting Tory, Mr Conal Gregory.

Mr Gregory derides York's charter – full colour, with more pictures than paragraphs – as PR glitz with no teeth, and points to this year's 33 per cent rise in the poll tax as the "real face of York's hard left". Yet few buyers could be found for that bogey: the parties broadly agreed on spending plans, and the decision about the level of the poll tax came down to a complex argument about the use of reserves. As to glitz, Labour counters with opinion surveys which show that more than three quarters of voters are satisfied with cleaning and collection services.

"Yes, the bin men have improved", said Ms Karen Anderson, the Liberal Democrat candidate, "but most people still think it's all too glossy."

Glossy or not, Mr Rod Hills, the council leader, plans to extend customer contracts across the range of services, and to give neighbourhoods a greater say in their management. "We already have four area committees, but we want to get down much further than that," he says.

Tendering of local services is another source of local dispute. The council was forced to re-tender for its street cleaning after refusing to accept a private-sector offer lower than that of its direct labour force. Mr Gregory wants a future Tory government to shift control of the tendering process from the council to the district auditor. Mr Hills insists he acted in good faith, but is unenthusiastic about competitive tendering and would not continue it "as a matter of course" if Labour wins.

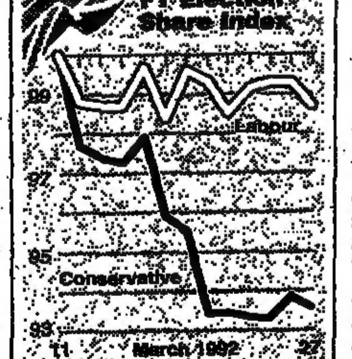
York boasted a Citizen's Charter years before John Major thought of it

Council housing produces a less clear-cut division. Mr Gould would release part of the council's accumulated receipts for housebuilding, although the exact amounts are not clear. Nationally, the Conservatives are opposed. But Mr Peter Brown, leader of the city's Tories, would favour it for York. "It would benefit housing here – the restrictions are only there because of a small minority of extremist councils." So much for the hard left.

Both sides agree that councils should not be the sole providers of social housing. Mr Brown wants nothing other than sheltered accommodation for the elderly built by the council itself, and believes that the rest should be done in partnership with housing associations. Mr Bayley would let the council take the lead, but says he is "open-minded" about joint schemes with private developers.

Both sides also want to end the dominion of Tory-controlled North Yorkshire county council and restore the city's county borough status. As Mr Brown says: "When all's said and done, the county council is foreign."

Andrew Adonis



● Labour win/Conservative defeat stocks.........98.68 - 0.57
● Conservative win/ Labour defeat stocks......93.60 - 0.27
● FTSE (rebased).........97.11 - 0.90

STRONGER performances by shares that might benefit from a Conservative win continued yesterday. As the FT-SE index dropped by nearly 1 per cent, "Conservative gainers" dropped by less than a third of that and "Labour gainers" dropped by more than ½ a percentage point. The movement cast doubt on the index's performance because the FT-SE drop followed an opinion poll suggesting Labour was well placed to win vital London marginals.

Tories facing a pasting

Conservative Central Office seems remarkably relaxed about the fact that it is losing the window-poster war.

The Tories have plastered billboards across the country with paid advertisements in the largest campaign of its type ever launched. But across the country's window-panes from marginal Tooting to Birmingham Yardley – a Liberal Democrat target – they appear to be trailing.

The Tory line is that their supporters are undemonstrative souls who are "not big poster displayers". According to an official: "They are the silent majority, but they will turn out on polling day." In the next breath he adds that it was "always my policy in a general election to put up posters in the final week of the campaign." The reason for this is what he calls "the boredom factor".

So far it is rare to find a street in which more than one in 10 of the houses has a poster. In Islington South, however, there is a touch of nostalgia. A window poster has gone up saying "Vote Alliance", the grouping which disappeared after the 1987 election.

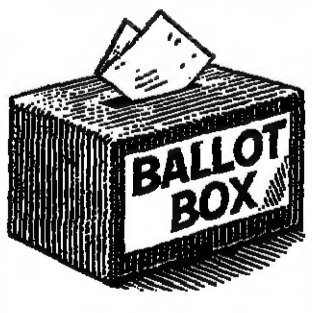
End of boom

For the business community of Swindon, one of Britain's archetypal 1980s boom towns, Labour's plans for a national minimum wage and increased taxes on higher incomes seem to be causing few palpitations. A question-and-answer lunch debate with election candidates and the local chamber of commerce produced not one hostile question to the Labour challenger, a bearded Rover toolmaker, Jim D'Avila.

Nick Davies, the chamber's president, said he was surprised nobody one brought up the tax issue. A bigger surprise, however, was that Simon Coombs, the incumbent Tory MP, failed to turn up. He sent an apology saying that he had an election to fight.

Business rally

Lord Weir, chairman of the engineering company Weir Group, yesterday launched an organisation called Save the Union to fight against devolution and independence for Scotland. He is among 20



leading Scots, including several senior businessmen, who signed a letter in yesterday's Scotsman and Herald newspapers. They have taken large advertisements in tomorrow's Scottish Sunday papers.

Weir says that there has been so much propaganda "of a biased and populist kind" on the future of Scotland that objective discussion has been almost impossible. Devolution would bring "dangerous uncertainty to Scottish industry and business".

Other signatories include Alick Rankin, chairman of Scottish & Newcastle, David Murray, chairman of Murray International and of Glasgow Rangers, Nick McAndrew, chief executive of fund managers Murray Johnstone, Sir Ross Belch, chairman of Ferguson Shipbuilders, and Sandy Struthers, chairman of Caledonian MacBrayne.

Haven't they left it rather late? "On the contrary," says Lord Weir. "The whole issue isn't going to disappear with the election. We want to be a rallying point for the future."

Norma left out

Norma Major, the prime minister's wife, must have wondered whether she had caught the wrong bus yesterday. On her husband's visit to a General Electric plant outside Cardiff, the local host welcomed everyone on the platform party except her. A few minutes later Lord King, chairman of British Airways, who accompanied the party, similarly ignored her presence.

While the prime minister spent half an hour touring the US company's engine works, she was left behind among the throng in the reception centre. At one point she looked quite forlorn, leaning against the wall on her own.

Via Baltica

The election in Scotland is attracting record coverage in Scandinavia. At Scottish National party meetings away from Edinburgh and Glasgow, representatives of foreign media often outnumber their UK counterparts three or four to one.

"People in Denmark aren't interested in the NHS," said one Danish reporter. Scotland's possible independence, on the other hand, is almost on a par with the breakaway Baltic Republics.

The Scans have been watching the SNP's progress closely because the party says Scotland could be part of a future Nordic bloc in the European Community. Some of their potential partners remain sceptical, however. "Independence isn't going to happen," said a Swedish TV commentator, "but it's fun watching them try."

Baker's curse

Sebastian Coe, the Olympic gold medallist and Conservative candidate for the Cornish constituency of Falmouth and Camborne, has fallen out with Kenneth Baker, the home secretary.

Baker appeared in the constituency on Wednesday to dismiss Coe's locally bred opponents as "mediocre and obscure". The venerable Falmouth Packet newspaper (established 1827) reported on its front page that the home secretary had treated the Cornish like dirt. Coe has been apologising ever since.

Media Watch: Ian Hargreaves

Political leaders lose the limelight

THIS WAS the week a frustrated media stormed the platform of a dull election campaign, seized the microphones and told the politicians to stand aside.

Surrounded by cameras, Mirrorman interviewed Expressman. The editor of The Independent coyly declined to be pressed further. Mr Kinnock's press officer made an emotional address. If Jennifer's ear didn't ache before, it must be throbbing now.

All the serious papers, of course, found it a shocking distraction. Then they piled into the fray – it's not just the voters of Great Grimsby who were tiring of an election composed entirely of debates about tax tables.

As for the whodunnit, the Tory tabloids were as ever louder, more vicious and more determined than their opponent, the Mirror. But the Conservatives also got the better of the argument in more surprising places.

On the first night of the drama, ITN's News at Ten had two senior political correspondents expressing what they judged to be a majority view: that the Conservatives had come off best. And the Guardian railed at Mr Roy Hattersley, shadow home secretary and long-time Guardian columnist, over the hypocrisy of his simultaneous campaigns against tabloid intrusiveness and his support for Labour's film. "Will Mr Hattersley now propose privacy legislation to prevent the identity of 5-year-olds in Labour party broadcasts from being revealed?" the paper asked.

Into this chaotic battle an ancient knight did stride: it was Sir Robin Day's turn to interview the prime minister, for Thames's This Week. Sir Robin could not have looked more uncomfortable as he reshuffled his cue cards to lead in with questions on what he called "this wretched row".

By the time the interview got round to the important issues facing Britain, it had lost all pace and direction. Probably Sir Robin is no longer match-fit for this sort of thing, but anyone who hasn't caught him at 8.30 a.m. on BBC Breakfast News with Norman Tebbit, Denis Healey and Lord Jenkins should do so. He's there Mondays, Wednesdays and Fridays in one of the few oases of crafted political exchange available in this campaign.

All the serious papers, of course, found it a shocking distraction – then piled into the fray

The best-conducted big television interview so far was that between David Dimbleby and Paddy Ashdown on Panorama this week. Dimbleby's opening strategy for the interview – to identify the fact that the sweet-smelling Lib Dems are actually the highest tax party in this election – was delivered with impressive precision.

An altogether different technique was at work when Brian Walden met John Major last Sunday. Walden had decided that Mr Major will always meet reasoned inquiry with plodding, reasoned response and set out instead to extract emotion. The prime minister simply refused to be drawn, either to apologise for the poll tax or to express personal grief at the plight of the unemployed. It was like watching killer bees buzzing around the head of the man smoking the Hamlet cigar. I thought Mr Major was badly stung.

Don't worry if you're bored by all this. The viewing figures for Week One of the campaign show that, as usual, TV news is less watched in elections than at any other time. Which leads me to Des Wilson.

Mr Wilson, who calls himself the Lib Dems' general election director (others call him, through gritted teeth, Mr Ashdown's deputy), is angry that his party has not been getting their theoretically allotted 28.5 per cent of airtime.

In a letter to The Independent, he lamented this media squeeze. But he noted that – in spite of this neglect – polls show Mr Ashdown has been the campaign's most effective leader.

Think again, Mr Wilson – you have accidentally discovered the secret of success. Keep your man off television and win the election. Leave the podium clear for journalists.

BA will build £23m Cardiff avionics plant to employ 400

By Anthony Moreton, Welsh Correspondent

BRITISH Airways is to build a £23m avionics servicing plant at Llantrisant, eight miles outside Cardiff, which will eventually employ 400 people, it was announced yesterday.

Simultaneously General Electric, the US aero-engine maker, was able to forecast that the workforce at its Cardiff-area engine maintenance centre would rise from 1,000 to 1,350 by the end of this year.

Mr John Major, the prime minister, on an election visit to south Wales, was able to deliver both announcements. He said the region had become a powerful magnet for inward investment.

Work on the avionics centre will begin in September and it should be in operation two years later. Lord King, chairman of British Airways, who accompanied the prime minister during the first part of the day, moved quickly to reassure the 300 workers now employed by the airline on avionics at London's Heathrow airport.

Transfer of the plant to Cardiff would not involve any redundancies at Heathrow, he said. "The 300 workers there will be offered the chance of moving to Wales or continuing their employment with the airline in other sections at Heathrow."

The avionics plant will be BA's second big investment in the Cardiff area. Two years ago the airline announced that it was to build a £70m aircraft maintenance base next to Cardiff airport to service its fleet of Boeing 747 airliners, again moving the work from Heathrow. The base will employ 1,200 people and recruiting is expected to begin soon.

General Electric bought its engine maintenance centre from BA late last December. Mr Brian Rowe, senior vice-president of GE aircraft engines, said the plant would become "the European centre for maintenance for this part of the world".

It expects to overhaul some 500 engines, mostly Pratt & Whitneys and Rolls-Royces, and some 200 auxiliary power units this year. It will eventually also handle the new generation of engines which the American company is to supply to BA for the latest model of the Boeing 747.

● Holgates, a north Wales-based confectionery manufacturer, yesterday announced a management buy-out led by its managing director, Mr Peter Saunders, from its parent Nestlé. The move saves the jobs of 75 people. Mr Saunders bought Holgates in 1976 and sold it to Rowntree in 1983.

CBI reports small upturn in demand

By Emma Tucker, Economics Staff

DEMAND for goods manufactured in the UK has increased slightly this month, indicating that recent falls in production are beginning to flatten out.

The March monthly industrial trends survey from the Confederation of British Industry said UK manufacturers reported a small rise in home and export orders while total order books remained depressed.

The survey, one of the last significant economic indicators before the election, found that only 8 per cent of the 1,439 companies surveyed said their orders were above normal while 55 per cent said they were below.

The difference between the two figures, which measures the overall state of order books, was -47, the least negative result since January, 1991. Balances were -60 in January this year and -52 in February.

Mr David Wigglesworth, chairman of the CBI's economic situation committee, said: "Total order books are at their best levels since January last year, although improvements in demand are patchy."

Stocks of finished goods have been further depleted this month. More than three in five companies – 63 per cent – said their stocks were adequate, while 21 per cent said they were more than adequate. Only 5 per cent said their stocks were inadequate.

Textiles, aerospace and mechanical engineering were particularly affected by high stock levels, which continued to hold back output.

The CBI said output was expected to flatten out over the next four months. In that period only 20 per cent of companies expect an improvement against 22 per cent predicting a decline.

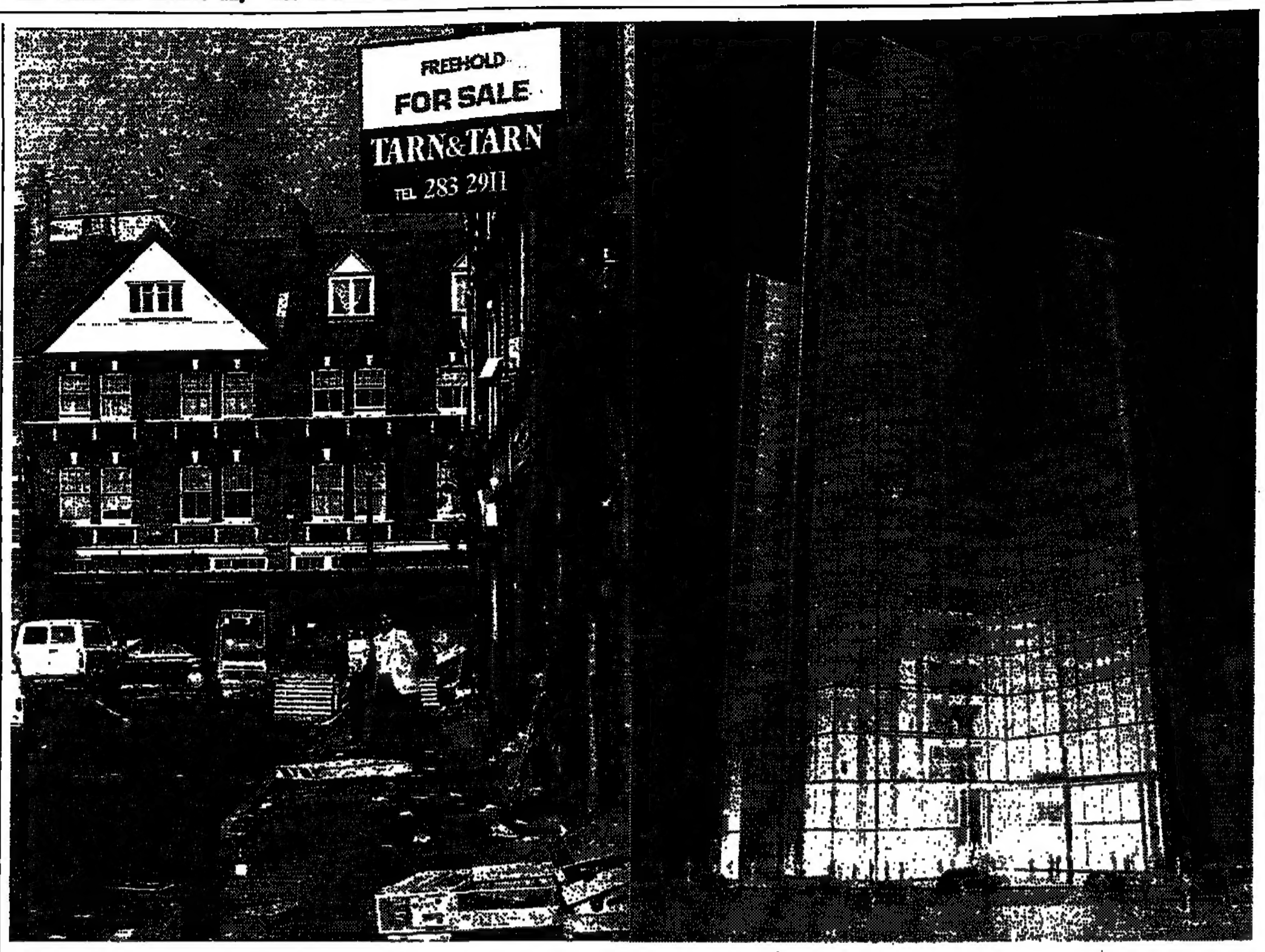
The CBI said the March expectations were consistent with the results of the previous six months, some of which pointed to a marginal increase in output while others suggested a small decline. A year ago, output was expected to decline significantly.

The survey, which covers roughly half of UK manufacturing employment and exports, found that fewer than one manufacturer in five expected to be able to raise prices in the next four months. The CBI said these were the weakest price expectations in a March survey since 1975.

Mr Wigglesworth said: "Intense competition is continuing to constrain price increases . . . This is clearly good news in the fight against inflation."

Export order books also improved in spite of slower growth elsewhere in Europe, but remained below a high reached last November. Many British manufacturers have concentrated on improving exports as long as the British economy remains depressed. Thirteen per cent of companies said their export order books were above normal, against 45 per cent saying they were below. Export order books were weakest in the capital-goods sector.

Overall, orders were less depressed among producers of consumer goods than among those of capital and intermediate goods. Manufacturers of building materials, metal, electrical and instrument engineering had the weakest order books. They were better than average for textiles, chemicals, food, drink and tobacco.



Ripe for development: the Spitalfields plan entails a 16-storey building designed by Sir Norman Foster featuring a series of external terraces

Two projects in the City come nearer to fruition

By Vanessa Houlder, Property Correspondent

TWO LARGE projects affecting market sites in the City of London have come closer to fruition.

A proposal to build offices, shops and restaurants on the 12-acre site formerly occupied by Spitalfields fruit and vegetable market has been given outline consent by the London Borough of Tower Hamlets.

The plans for the first two buildings of the scheme, one of which is designed by Sir Norman Foster, were warmly welcomed by the Corporation of London's planning and communications committee.

Sir Norman's 16-storey building, which features a glass-covered galleria, is designed to be a gateway into the Spitalfields site. It has a series of external terraces that provide a visual link between the large buildings on Bishopsgate and the smaller-scale buildings on the rest of the site.

The Smithfield Development Group, the developer, is a partnership of BICC Developments, Costain and London & Edinburgh Trust. It says its plans to build 1.1m sq ft of offices, 68,000 sq ft of shops and 165 flats would generate jobs for 7,000 people.

The community benefits offered by the developer in return for planning permission include 118 flats and houses and a public leisure centre.

Separately, the Corporation of London has given the go-ahead to the first phase of Smithfield market's £50m refurbishment.

Work will start in the next couple of months on bringing the market, built in the 1860s, up to the standards required by EC hygiene regulations.

Revenue on alert for tax dodges

By Andrew Jack

THE INLAND Revenue is ready for any British taxpayers seeking to place assets offshore to avoid UK tax liability in advance of the new financial year and the possibility of a Labour government.

"It isn't worth evading tax," says Mr Dennis Parrett, principal inspector of taxes from the Revenue's compliance and collection division in London. "You could end up paying more than £1 in the pound."

Numerous Revenue staff are involved in tracking people and companies seeking to conceal untaxed assets overseas, from district tax inspectors in local offices around the country to the staff of Section 739 in Hinchley Wood, Surrey, which specialises in examining transfers of assets overseas by individuals.

For those caught in tax evasion, the penalties include full repayment of all tax plus interest, and a further sum up to the value of the tax evaded, depending on the level of co-operation given to inspectors.

There is nothing illegal in creating an offshore trust, as long as either the assets it controls are no longer under the control of the taxpayer placing them there, or those assets are disclosed to the Inland Revenue.

If they are disclosed, though, recent legislative changes mean there is no longer any tax advantage in holding them offshore.

Obtaining details of offshore trusts and companies in secretive jurisdictions such as the Channel Islands, Liechtenstein and Panama is notoriously difficult even for the tax authorities.

If the assets sit offshore untouched they may often go undetected. They may not come to light until the taxpayer dies and heirs attempt to take on the inheritance. But many people do need access later to money they have hidden away.

"Without giving too much away, we track a lot of the money when people bring it back into the UK," Mr Parrett says. "It may take 10 or 15 years, but people fall on hard times in the recession, need cash for their businesses or get plain greedy and want to buy bigger houses."

Some tip-offs come from jealous spouses and mistresses, disgruntled employees and customers or disaffected neighbours. Inquiries are also often occasioned by inspectors examining routine personal and corporate tax returns which may show unusual payments or transfers of assets such as shares.

Other revelations of substantial non-disclosed assets may come from newspaper articles, lawsuits or casual observations by inspectors of individuals whose tax returns do not appear to match their lifestyle.

Where people control offshore entities not held in their own name, the Revenue also has powers allowing it to serve notice on people involved in establishing such trusts. From the records of one individual, they may be able to identify the professional advisers who created the offshore structure.

In cases of fraud, the Revenue also has so-called "Section 20C" powers with the approval of a judge, which allow it to enter premises and remove evidence, including documents.

However, there is evidence that clauses in the 1991 Finance Act closed most options for UK resident taxpayers to create offshore vehicles for their assets. It will in any case be some months before the Revenue is able to track and measure evasion conducted in the run-up to the election.

Coopers to abandon 'confusing' Deloitte

COOPERS & Lybrand Deloitte, the accountancy firm, is to drop the last word of its name in June. The move follows confusion among clients caused by the merger that created the combined firm in 1990. Deloitte Haskins & Sells merged with Coopers & Lybrand in the UK, but with Touche Ross in most other countries to become Deloitte Ross Tohmatsu.

The change of name comes after speculation that Coopers & Lybrand would act to erase signs of its merger with Deloitte. Deloitte Ross Tohmatsu will become Deloitte Touche Tohmatsu in June. Touche Ross in the UK has no plans to change its name.

Names' decision

MEMBERS of the Outhwaite syndicate on the Lloyd's insurance market who did not benefit from the £116m out-of-court settlement agreed between 987 Names and 81 agents last month are poised to take early legal action to recover insurance losses.

The 1992 Outhwaite Names Association represents 378 of the 627 Names who were not party to the successful action. Solicitors have advised that their claim may be "time-barred" if a writ is not issued by April 29.

Royal Bank offer

ROYAL Bank of Scotland has offered clerical staff pay rises of between 2.5 and 3.5 per cent. The bank also plans to withhold rises from managers whose performance is judged unsatisfactory.

Bifu, the financial services union, is balloting its 17,000 members at the bank on industrial action short of a strike.

Union man dies

LORD Briginshaw, aged 83, a former general secretary of the Natsopa print union, died in hospital early yesterday.

Accountants to give evidence on BCCI

By Raymond Hughes, Law Courts Correspondent

TWO PARTNERS and a senior manager in City accountants Price Waterhouse are to give evidence to the US Federal Bureau of Investigation about Bank of Credit and Commerce International, which was closed by the Bank of England last July.

Price Waterhouse, former BCCI auditor, yesterday declined to identify the three men, saying it was the firm's policy not to give out individuals' names for the sake of their personal security.

The three were involved in the Bank of England's investigation of BCCI.

The FBI wants their evidence as part of the US Department of Justice's investigation into BCCI's involvement with three US banks - First American, Independence Bank of Encino, California, and CenTrust Savings Bank in Miami, Florida.

At Bow Street magistrates court yesterday Mr Philip Sales, counsel for the three witnesses, said they and PW were anxious to fulfil their public duties and co-operate with the investigators but were bound by duties of confidentiality.

They had therefore, for their own protection, to give evidence under compulsion, and accordingly witness orders had been made under the 1990 International Criminal Justice (International Co-operation) Act.

Earlier yesterday Price Waterhouse had cleared the way for the witnesses to co-operate with the FBI by obtaining variations of High Court injunctions made against BCCI restricting the provision of information to third parties.

The injunctions were granted last August to Mr Ghaith Pharaon, a Saudi financier, Sheikh Kamal Adham, a former head of Saudi intelligence – both of whom have been identified by the Federal Reserve as frontmen for BCCI in its attempts to buy into the American banking industry – and El Sayed Eljawhary.

Clarke pledge on CTC programme

By Andrew Adonis

AN EXPANSION of the controversial city technology college initiative was promised yesterday by Mr Kenneth Clarke, education secretary, if the Tories win the election.

The proposal, which features only obliquely in the Conservative manifesto, took educationalists by surprise. If it is to be more than cosmetic, it may cost several hundred million pounds to implement – most of it in extra, unplanned public spending. At present only 15 CTCs are open or planned.

When the CTC initiative was launched in 1988 by Mr Kenneth Baker, then education secretary, the cost of the institutions was intended to come largely from business and industry. In practice, few private sponsors were found, and more than three quarters of the start-up cost of CTCs has come from the Treasury. The cost to the Exchequer has so far been nearly £100m, against £30m from the private sector.

Until yesterday, ministers had played down ideas of establishing new CTCs, and talked instead of devoting extra technology funding to existing schools.

Instead, in an interview in yesterday's Times Educational Supplement, Mr Clarke said: "CTCs have been a great success and we shall be able to get more." On cost, he said he was "attracted to the 80/20 split" between public and private-sector funding, adding: "I shall be able to get more sponsors. I don't think it was possible when the Labour party was threatening the schools."

Labour and the Liberal Democrats are committed to ending the CTC initiative, and integrating colleges into local education authority control.

Mr Jack Straw, shadow education secretary, accused Mr Clarke of "making up policy on the hoof".

Mr Matthew Taylor, Liberal Democrat education spokesman, said: "Mr Clarke is stubbornly refusing to let a failed policy drop. CTCs are the key to the two-tier system the Conservatives are creating, which involves extra funding for some schools at the expense of the rest."

APPOINTMENTS

Senior Nestlé executive joins Pearson board

Gill Lewis, a senior vice-president of Nestlé has been appointed a non-executive director of PEARSON, owner of the Financial Times.

Miss Lewis, 48, is the first woman to join the Pearson board since the 1960s.

Lord Blakenham, Pearson chairman, said he had not known Miss Lewis, and the company used headhunters to find new non-executive directors.

Miss Lewis worked for Green Giant between 1974 and 1979, becoming general manager for continental Europe.

After two years with McKinsey she became an executive search consultant and in 1988 moved to Courtaulds as director of human resources. She joined Nestlé at the beginning of this year.

■Harry Tuley, managing director of SCAPA GROUP, has been appointed chief executive from April 1. Peter S. James and A. John Ainsworth are appointed directors.

■Bryan Weston, 61, will hand over as chief executive of MANWEB to managing director John Roberts, 46, on April 1. Weston will continue as chairman but on a part-time basis from August 31.

Howard Kirkham, 44, managing director of Chloride Industrial Batteries, is joining as director of network Services, replacing Denis Farqhar, 61, who will retire from the board but remain director of technical strategy.

■Tom Fisher has retired from MARKHEATH after 11 years on the board, and Jonathan Strong has resigned from SPEYHAWK.

■Geoff Browning has agreed to leave the board of MARLING INDUSTRIES to pursue other interests.

Life industry watchdog offers best advice on training

Norma Cohen explains why 500 sales agents have been barred from soliciting customers

TRAINING has become the battle cry of the life industry's regulators. In the past two months, about 500 sales agents at two firms have been barred from soliciting customers because regulators have decided they are simply not competent to do so.

Regulators are increasingly taking the view that inadequately trained sales agents, with the best will in the world, cannot offer customers the "best advice" required under the 1986 Financial Services Act, or even "suitable advice".

Consider the case, cited by the insurance ombudsman earlier this week, of the 18-year-old with no dependants who was sold a life insurance policy with no savings component. In his defence the sales agent said he made the recommendation after receiving one week of training in which he was not told about endowments and other savings-type products. Not until five months later, during further training, did he hear of the alternatives.

Mr Kit Jebbens, chief executive of Lautro, the self-regulatory body for the life insurance industry, said: "It is the oral presentation and the discussion that is the most powerful means of persuading someone about the advantages of a product.

"We believe that there is a strong correlation between the standard of training and the behaviour of sales representatives in the oral presentation."

The stiffest regulatory actions that Lautro has taken over its three-year life have been focused on training. "I believe this will have more effect than any other thing we could do," Mr Jebbens said.

The matter of training goes to the heart of the most troubling consumer complaint in life insurance. Far more common than outright fraud are instances of "mis-selling" – purchase of products that are unsuitable for the client. Unsuitable policies are more likely to be cancelled within the first few years – an act that can cost consumers a large portion of premiums paid.

Within the past two months Lautro has formally suspended the 140-strong sales force of Oaklife Insurance Company and asked Windsor Life to "voluntarily suspend" its 350-strong sales force until they can be properly retrained.

Lautro declines to comment publicly on the specifics of what it found the sales agents were doing. However, in the case of Windsor, where shortcomings were uncovered during a routine compliance visit last December, it is believed that sales agents were unable to answer questions about such basic matters as the charges on the unit-linked policies they were selling. Windsor's sales agents are paid no salary and earn only a commission on each policy sold.

Also, at both companies, compliance reviews were said to have shown the inadequacy of training when the so-called "fact finds" were examined. Those records, required to be kept on each client, contain personal details of the individual's financial and tax circumstances and an explanation of why a particular product was recommended as the most suitable.

In the case of the fact finds, information was either found to be too limited for the sales agent to have been able to assess the client's actual financial needs, or else the information contradicted the recommendation of the most suitable product.

Of course, regulators acknowledge that the best training is not going to deter an unscrupulous sales agent from closing a deal, particularly if a commission is to be earned by it. Mr Jebbens acknowledges that "integrity" is as critical to the tendency to offer best advice as training. For many companies, too much of what has traditionally been described as training is little more than instruction in sales technique.

Currently, Lautro rules simply require that sales agents be "competent and suitable". But after publication of the McDonald report in May 1990, which examined standards of competency in the sale of financial services products, Lautro and the other self-regulatory bodies were ordered to set training standards. The rules are not due to take effect until April next year, but Mr Jebbens says companies are already revising their training programmes to take account of the new framework.

Meanwhile, life insurers, responding to recent rules requiring them to disclose expenses, point out that the new training requirements set out by the Financial Services Act have sharply increased sales costs. Mr Tony Jackson, assistant director of sales and training at Allied Dunbar, said the company spends about £11m a year on training, nearly double that of five years ago.

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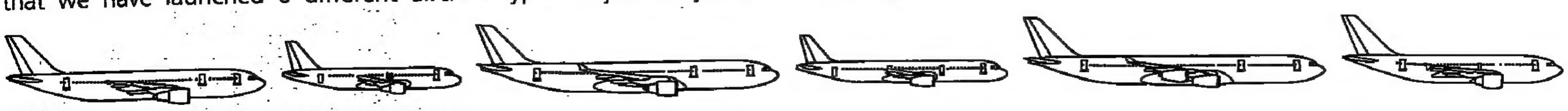

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Saturday March 28 1992

The morning after

SIR Winston Churchill once described democracy as the worst possible system, except for all the others. It takes an election campaign to make one realise how awful all the others must be. Buy Labour for more public spending. Buy Conservative for tax cuts. What should the Advertising Standards Authority say about those claims? It should rule both out of order.

A week dominated by charges and counter-charges over the sad case of a little girl is illuminating only for the way in which electorates are consistently deceived. If the Labour party is implying that it will eliminate delays in the National Health Service, it is lying. If Conservatives wish to deny there will always be a two-tier quality of health care, they too are lying.

The UK confronts serious choices. But the most important of those choices, over Europe and economic policy, divide the two parties internally. No wonder these topics are taboo. The British people have to choose, instead, between competing fantasies.

The point can be drawn from an analysis of the alternative economic prospectuses by the Institute of Fiscal Studies, published this week. Neither Labour spending increases, beyond those promised in Mr Smith's shadow Budget, nor Conservative tax cuts, beyond the £1bn promised for each of 1995-96 and 1996-97, can be afforded without a greater than expected "growth dividend". The likely growth dividend has already been spent. In fact, it has been overspent.

Even on the government's optimistic forecast that growth between 1991-92 and 1996-97 will average 3 per cent, the public sector borrowing requirement falls below 3 per cent of gross domestic product only by 1995-96. Moreover, this assumes that after growing by 11 per cent in real terms between 1991-92 and 1994-95, general government spending will grow at a mere half a per cent a year between 1994-95 and 1996-97.

Not at all likely

How likely is such a recovery? Not at all likely, for three reasons: first, because it is what the Treasury forecasts; second, because it is all that happened after the last recession, when conditions were far more favourable; and third, because the UK is in the grips of a consistently underestimated debt deflation.

To detail the Treasury's forecasting errors would be unkind, especially since it has been in good company. But to consider the economic circumstances is necessary. The end of the last recession coincided with a sharp depreciation of the real exchange rate and real interest rates (base rate less the rate of retail price inflation without mortgage interest) at around 2-3 per cent. Now the real exchange rate is at best static, while real interest rates are some 5 per cent and, as inflation falls, rising. Furthermore, the personal sector, though richer, is far more indebted than 10 years ago; the nominal prices of housing are still falling; and the London property market is suffering from a collapse of American proportions.

Pummelling groups

Why should anyone hope for a vigorous consumer-led recovery in these circumstances? It is impossible, moreover, to understand why the Labour Party should believe that pummelling the groups in society that must make any recovery happen, plus a "strategic framework for finance and industry", plus a £1.1bn "recovery programme" would make the desired recovery either swifter or stronger. Or, more precisely, it is impossible to understand why anyone should believe it.

Suppose that growth were to average only 1¼ per cent a year from 1991-92 to 1996-97. Real GDP would then be 7 per cent lower in 1996-97 than under the Treasury's forecast. Furthermore, unemployment would continue to rise, thereby increasing public spending. Under those assumptions a general government deficit that would never fall below the 6 per cent of GDP (without privatisation receipts) forecast for 1992-93 and 1993-94 can be readily foreseen. It could be higher still.

Yet none of this grim background emerges into the light of public discussion. The Conservatives do not want to discuss the problems because they cast grave doubt on their reputation for economic competence. The Labour party does not want to discuss the problems because they mean that the long and imaginative wish list it calls a manifesto is no more than waste paper. Yet the truth is that German monetary policy and its determinants – the pain of unification, German industrial unrest and fiscal deficits – bear far more on the prospects for the British people than anything said in these miserable weeks.

So ignore what is being said in the election, if possible. Far more revealing will be what happens the morning after. The Conservatives seem a known quantity, although they too can spring surprises. But what of the now increasingly likely Labour government? It would be tested severely, first of all by the foreign exchange markets, then by its own supporters. It would have to forget almost all the things it thought it was elected to do. On its ability to do that might depend its chances for longer-term survival in government.

Tories in a race against time

Philip Stephens assesses the state of play at the end of the campaign's second week

There comes a moment during an election campaign when one side begins to recognise that it is facing defeat. The Conservatives are perilously close to that point.

Mr John Major and his colleagues have not given up. Nor do the opinion polls support Mr Neil Kinnock's claim that Labour is set to win an outright majority on April 9. After a faltering first two weeks, Mr Chris Patten has been refocusing the Conservative strategy. The party chairman is promising an unremitting assault on the opposition and its leader until polling day. Tax, economic competence and leadership will be kept centre-stage. More will be made of the Conservative record on defence and foreign affairs.

In Mr Major's speeches around the country ferocious attacks on Mr Kinnock's judgment have been added to the vision of caring Conservatism that were once judged the key to victory. After 10 days on the stump, the prime minister has settled into a more comfortable stride.

Mr Norman Tebbit, the former Conservative party chairman, has been rehabilitated alongside Mrs Margaret Thatcher in a drive to win back the skilled working classes who delivered victory in 1983 and 1987. Mr Michael Heseltine, the environment secretary, has shown he retains a formidable instinct for the political jugular.

Mr Kinnock, shielded for much of the time from a largely hostile tabloid press, has looked uncomfortably vulnerable when it has caught up with him. The election, fired into life by the row over health, is set to get rougher still.

For much of this week, the heat generated by Labour's emotive election broadcast on the National Health Service obscured the light shed by the opinion polls on the progress of the campaign. The dramatisation of a young child's predicament on an NHS waiting-list moved Mr William Waldegrave, the health secretary, to summon up comparisons with Nazi propaganda in pre-war Germany. His opposite number in the Labour party, Mr Robin Cook, was unrepentant and the election was diverted into a sterile debate about leaks and the murky world of tabloid witch-hunts.

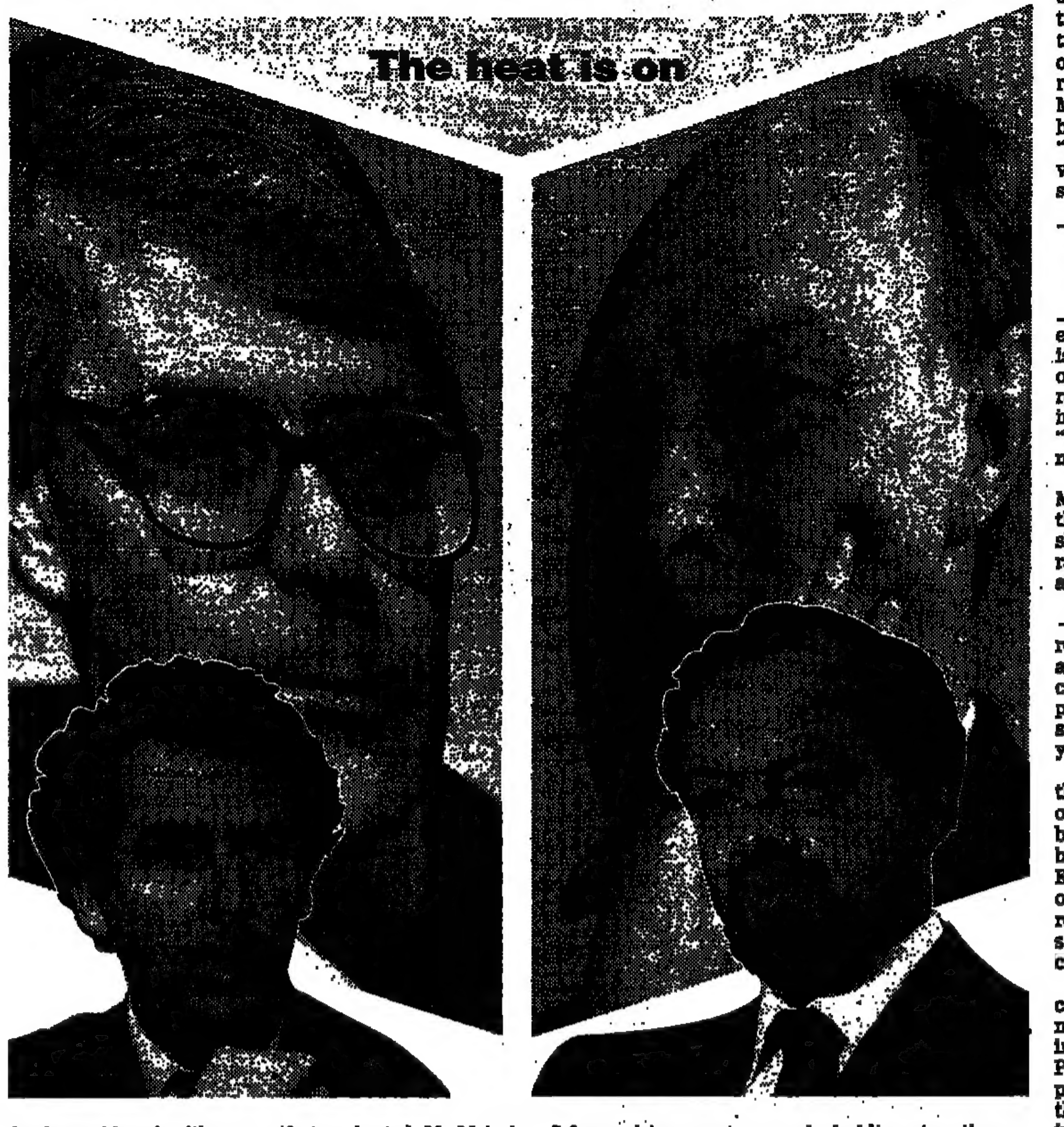
Neither side knows what impact it has had on the electorate. One cabinet minister, convinced at first that the row had at last got Mr Kinnock on the run, was worried a few hours later that Mr Major might be implicated (wrongly) in central office "dirty tricks".

One of the minister's Labour shadows insisted that the controversial broadcast had succeeded in its central objective of taking health – his party's strongest card – to the heart of the election battle. Then he recalled with acute discomfort the television images of his leader's angry exchanges with the tabloid "rat pack". Most voters probably were bemused.

For their part Mr Paddy Ashdown's Liberal Democrats, forced out of the news for much of the campaign and facing a squeeze on their vote, must hope that the row will reinforce disenchantment with both main parties.

But, overall, it is the Conservatives who are worried. The threat of permanent opposition has taught the Labour party how to run election campaigns. The Conservative effort has looked outclassed and outdated. After 13 years in office, ministers seem to have forgotten how to fight hard elections.

Mr Major's campaign stumbled at the outset. It started with a Budget that aimed to steal Labour's clothes by demonstrating a commitment to



the low-paid and with a manifesto designed to distance him from Mrs Thatcher.

But Mr Norman Lamont, the chancellor, deflated the expectations of those – including his cabinet colleagues – who had believed that a more handsome bribe was available to cheer a disgruntled electorate.

The Conservatives were caught off-balance by Mr John Smith's alternative package. The shadow chancellor reassured the skilled working classes – the so-called C2s on whose votes the election outcome may hinge – that they would pay no more in tax.

Mr Patten wasted nearly a week directing his fire at Mr Smith's threat to the incomes of those earning more than £20,000 a year. Mr Richard Ryder, the chief whip and the man charged with knocking heads together at central office, was not alone in judging that wavering supporters in the much larger £10,000 to £15,000 income bracket would be unimpressed.

The campaign has been recalibrated. Mr Major's soft-focus vision of the 1990s now runs alongside a Thatcherite onslaught on Labour's "socialist" agenda. A costing of Labour's spending pledges has provided the figure – £1,250 a taxpayer a year – needed to "frighten" the C2s.

But the cabinet members who line up daily alongside the prime minister at Conservative central office are showing signs of strain. They offer confident claims to the television cameras that the new message will get through. But the images that stick are those of men who have fired their ammunition and cannot quite understand why it has not yet reached its target.

There is a defensive mood. Asked if there were signs of panic, one senior minister replied simply: "Not yet."

There are mutterings among some of his colleagues that Mr Patten has spent too much time defending his slim majority in Bath and not enough holding together a shaky operation in the party's Smith Square headquarters.

He has learnt quickly how hard it is to fight an election in the middle of an economic slump. The sharp rise in living standards during the 1980s has not tempered the voters' anger with a government that gave them first the poll tax and then the recession.

The media, once persuaded of the impregnability of his party's reputation for economic competence, has been unreceptive to the constant attacks on Labour's strategy.

When the party chairman issued a dire warning this week that a Labour government would wreck economic recovery, the first question from the media circus was entirely predictable: "What recovery?" Conservative canvassers are finding that the promise of zero inflation does not play well against the reality of rising unemployment.

Apart from his occasional spats with the Tory tabloids, Mr Kinnock has had a relatively easy ride. The dire state of the government's finances has allowed him to escape so far the searching scrutiny of his party's tax and spending plans which damaged Labour so badly in 1987.

Mr Smith's clever conjuring tricks have obscured the hard truth that the resources available to an incoming Labour government would not come close to matching the party's aspirations for the welfare state. Occasional "gaffes" by members of the shadow cabinet have provided glimpses of that fundamental tension. But they have largely been lost in the deepening economic gloom.

Mr Patten and his colleagues have answers for the prophets of doom. They point to the volatility of the opinion polls, regional variations in the swing to Labour, dislike of the opposition leader, and a large reservoir of floating voters. Mr Major believes that commentators have failed to appreciate the "incumbency" advantage of Conservative MPs defending marginal seats.

From canvass returns across the country, the message being conveyed to Mr Patten is that resentment of the government's handling of the economy is matched by dislike and distrust of Mr Kinnock. One senior minister returned from two days' campaigning with the simple message that: "They just don't want him [Mr Kinnock] in Downing Street."

The opinion polls indicate that Mr Major's more aggressive persona on the campaign trail has taken the shine off his image. But while his ratings have fallen they remain far ahead of his main rival.

A steady Labour lead in the polls – its standing has remained remarkably constant at 41 per cent against the Conservatives' 39 per cent – must be seen alongside panel surveys suggesting that a sizeable slice of the electorate has yet to make up its mind.

The Conservatives believe that the waverers include large numbers of disenchanted supporters who can be recaptured closer to polling day by the onslaught on tax and on Mr Kinnock's judgment. In the phrase of one cabinet minister, a "more red-blooded" campaign could detach support from the Liberal Democrats.

Despite Mr Ashdown's energetic campaigning, his party has yet to make the impact needed to pitch it into the campaign limelight. Mr Patten will seek to squeeze its support by warning that a vote for the third party could let Mr Kinnock into Downing Street.

But the fine print of the opinion polls also has bad news for the Conservatives. The assault on Labour's plans has not pushed tax above fifth or sixth in the list of issues uppermost in the voters' minds. Unemployment, health and education all rank higher. Mr Major's protestations that the health service is safe in his hands has convinced only a third of the electorate.

There is time still for the Conservative case on tax, the economy and Mr Kinnock to sink in. Labour strategists concede they are worried that it may have a delayed impact. The closer Labour edges towards victory, the more the voters may worry about their wallets.

But Mr Kinnock can win Labour does no more than hold on to his party's present standing in the opinion polls: a "hung parliament" would count as victory. To be certain of remaining prime minister Mr Major needs an overall majority. He does not have much time to demonstrate that it is still within his grasp.

MAN IN THE NEWS: ***Jerry Brown***

Many faces of Mr Moonbeam

It has always been easy to laugh at Jerry Brown and this week has proved no exception for the nation's comedians. David Letterman, NBC TV's neck-of-the-night talk show host was as good as any with his top 10 reasons why the former governor of California won the Connecticut Democratic primary on Tuesday.

These included: he was the 100th caller; many citizens thought they were voting for James Brown, the soul singer; heavy Klingon turn-out (one for the Star Trekkies); growing sentiment the western world should be run by a guy in a turtleneck.

Funny stuff, a lot of which probably has already been said in the course of the 25-year public career of a man who will be 54 on April 7, the date of his next date with destiny, the New York primary. What is serious, this time for Bill Clinton and for the Democratic party as a whole, is Brown's habit of making double mockery of it. Reinvent himself every year or two he may, as Clinton says, but the reinventions sometimes, somehow, catch on.

This election year it is as the voice of the alienated, but it has not always been such. He was, after all, governor of California, the largest state in the union for eight years, and running it was a qualification deemed good enough to get Brown's predecessor, Ronald Reagan, eight years in the White House. In 1976 he was mainstream enough to throw a big scare into Jimmy Carter's outside march on Washington.

Brown does not succeed all the time, failing in subsequent cracks at the presidency, for the California Senate seat in 1982, and getting nowhere last year in exploring another such bid. But he has a good political nose – inherited from his father, Edmund G Brown Sr, governor of California before Reagan – and an eye for issues.

He can fairly claim this year that he is the only candidate with environmental credentials consistently adhered to throughout the environmentally unfriendly Reagan-Bush years. This is in the modern tradition of the west and explains why Colorado, almost reflexively, voted for him a month ago.

But consistency does not normally bother him. Over the past two years, he has completely changed his mind on campaign financing, once opposing limitations, now favouring them. As governor he first opposed, then came round to, Proposition Thirteen, the property tax-cutting initiative that swept the state in 1978. Perhaps impressed by its simplicity or perhaps to demonstrate his eclecticism, he now advocates new flat rates of income and value-added tax, which, together with the retention of a few core deductions like mortgage and rent relief, would replace *in toto* the current US tax code. The fact that he borrowed these ideas from the right-wing Hoover Institute does not faze this nominally left-wing candidate at all.

Less easy to defend is his opportunistic switch from internationalism to near xenophobia. As governor of California Brown was not insensitive to Pacific Rim trade or the economy of neighbouring Mexico. This year, he would have his audiences believe that Mexico is the primary source of job loss in the US. Occasionally he makes the legitimate point that the proposed North American Free Trade Area with Mexico and Canada is fundamentally flawed because it lacks the labour market regulation that makes the European Community work, but he knows that the sort of

audiences he is appealing to stop listening when he gets too technical. It is easier, as he has done, to say that if the US can shelter the Kurds it ought to be able to look after its own homeless.

This, of course, is precisely where he has had success so far this year – in mining a seam of discontent in the country that knows things are wrong but has no answers. He has few either, but that is not the point, which is to direct the finger of blame at those who are more responsible – the political establishment, in all its manifestations. Even the Democrats, he would have all believe, are now run by a politburo (yes, he uses the old communist word), which has decided that Clinton should be the presidential nominee.

But essentially his is a plague on all the houses, for only by tearing them all down can he render all conventional political wisdom that he can never be president, let alone nominee, null and void. It is pure populism, leavened only occasionally by traditional political guile, such as in trying to extract an endorsement out of Governor Mario Cuomo of New York this week. And this must be prosecuted regardless of party or indeed the facts. For a trained lawyer and a Jesuit seminarian, subsequently schooled in zen Buddhism, Brown shows an astonishing lack of interest in the truth. He is, however, quick and unscrupulous in argument.

What nobody knows is whether Brown actually believes in what he is saying or whether he is just riding the whirlwind he has created for the hell of it. For his is more than an Anybody But Clinton movement; it is the voice of disaffection and protest and it has existed on the other side of the political fence already this year in the person of Pat Buchanan, who also ran mostly on words and not much money. The phone calls flooding in urging H Ross Perot, the Texas businessman, to run as an independent are another manifestation. But Buchanan at least had a specific political cause, the revival of conservatism, and perhaps a political end-game, in the shape of a candidacy in 1996. With Brown, it is impossible to be sure of either.

Or anything: for as the campaign moves on it probably is the case that the Brown phenomenon will get closer scrutiny for what it stands for, rather than against. It might stand that test, especially if Clinton continues to be carved up by New York's tabloids.

But if not, then what? The second best political quote of the week (after President George Bush's "it has been a screwy year") was to be found in the Wall Street Journal from Joe Scott, a veteran Brown-watcher. "Jerry can't win the nomination and he knows it. But these next few weeks are going to look like the Russian retreat from the Ukraine. Nothing will be left standing." Except possibly Bush, which, for the Democrats, would not be funny at all.

Jurek Martin

French stocks are too high at a time when demand is falling, write **Jancis Robinson** and **Alice Rawsthorn**

A case of wine on the rocks

This weekend concludes an historic event in Burgundy. In the past week this traditionally introverted French wine region has for the first time ever ceremonially opened its cellar doors for the world's wine writers and wine buyers. But this is a sign not of hospitality – it is one of anxiety.

Next week many of Burgundy's guests will troop off to Bordeaux for the launch of that region's latest vintage. For the past few years the Bordeaux châteaux have had to fend off a wine world impatient to taste their new wares. This year they have been trying to persuade the key palates to sample the 1991 vintage at all.

Bordeaux and Burgundy, like most of the French wine industry, are in financial difficulty. The combination of three years of bumper crops, over-ambitious pricing and the recession has created a cycle of rising stocks and falling demand. These problems are aggravated by the longer-term trends of growing competition from other countries and changes in consumer tastes which could lead to big alterations in the scale and structure of the industry.

The current crisis is all the more acute for following a decade of prosperity. French wine flourished in the 1980s thanks to a blend of wonderful weather and buoyant demand, notably from newer markets like the US and Japan. By the end of the decade France's wine producers and the *négociants*, which distribute their products, revelled in three glorious vintages – 1988, 1989 and 1990. By 1990 the French wine industry generated record exports of FFr23.2bn (£2.4bn) with a workforce of 330,000.

This prosperity created its own problems. The *négociants* paid higher prices to the producers for the prime vintages of 1988 and 1989. They then found it difficult to pass these prices on to their own customers, the wine merchants, because so much wine had been produced in those years and demand was already weakening in recession-struck markets such as the US and UK.

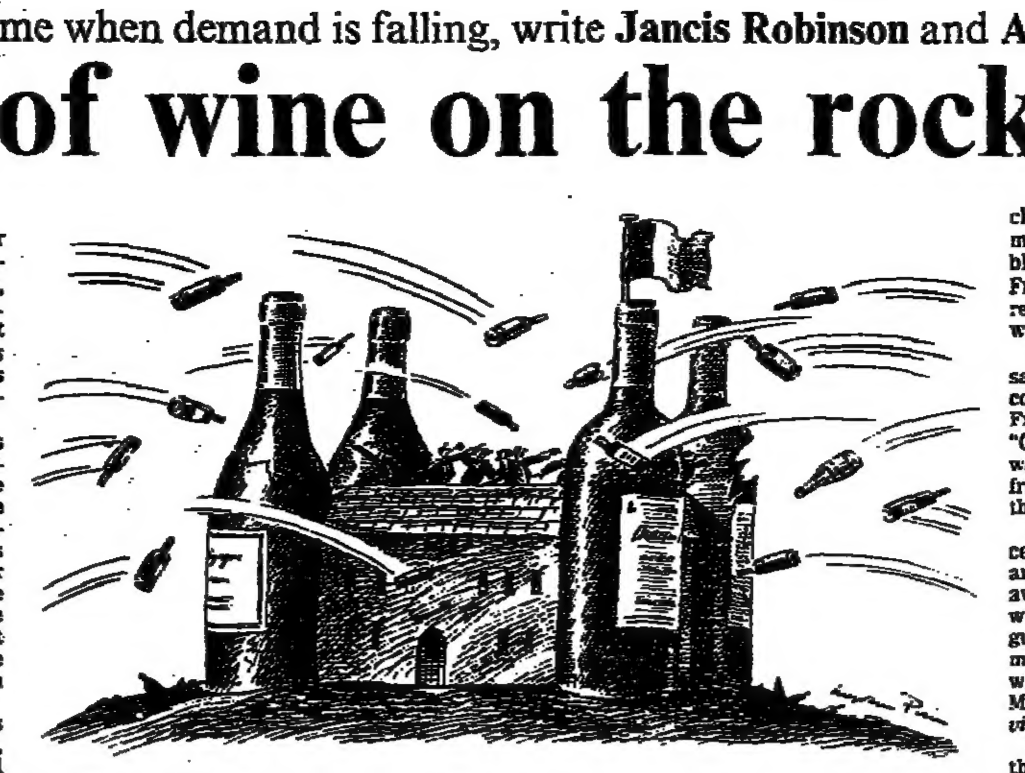
Demand declined further as the recession deepened. Since last autumn, consignments from the US and Belgium have been flooding back to France. One importer in the US, where the effect of the recession was until recently reinforced by the weak dollar, reputedly returned a cargo of 48,000 cases.

Some of these returns have resurfaced in the French supermarkets, which had started selling *crus classés*, the very best Bordeaux wines, when the much-vaunted vintages of 1988 and 1989 depressed sales of the much less successful 1987 vintage. Meanwhile some *négociants* have been forced to sell off stocks cheaply. Some of the finest French wines, Château d'Yquem and Château Cheval Blanc, are being sold in supermarkets sometimes for less than the *négociant* prices.

"It's purgatory," says Mr John Kolasa, commercial director of Ulysse Cazabonne, Château Latour's *négociant*. "Supermarket prices have got completely out of hand. *Crus classés* are being used as loss leaders to sell packets of biscuits and cans of peas."

While the fine wine trade has been disrupted by the incursion of the supermarkets, the market for French table wine at the bottom end of the quality spectrum is described as "catastrophic" by Roger Piquet, owner of Château de Gourgazaud. These are the products that have been worst affected by the recession in the export sector, and production still exceeds demand.

Even Bordeaux, France's most famous fine wine region, is showing signs of financial strain. Two small merchants have closed and some of the grandest châteaux are up for sale. Suez, the giant French industrial group, hopes to sell Cordier, a large *négociant* which also owns Château Gruaud-Larose, as part of its restructuring. Château Rausan-Ségla, part of a trust belonging to Mr George Walker, the British businessman recently ousted as chairman of the stricken Brent Walker leisure group, is also said to be on the market.



The difficulties are likely to intensify this year. The 1991 grape harvest was a disaster thanks to severe frost in April and a poor summer, which produced a vintage of erratic quality. On one level this is what the wine industry needed – the low volume of 1991s should help to clear the high stocks of 1988s, 1989s and 1990s. But low volume also means low turnover for the *négociants*, which could cause cashflow problems this spring.

There are some positive signs. The dollar's recent rise, coupled with signs of economic recovery in the US, should stimulate sales to that market. Moreover the influx of investment into the industry in the 1980s – there were 17 foreign acquisitions in Bordeaux alone between 1983 and 1991, notably from global drinks groups such as the UK's Allied-Lyons – has helped to stabilise the industry: these investors often take a longer-term view than the old family owners.

Some companies have been taking radical action to tackle their problems. Louis Latour, a leading Burgundy *négociant*, slashed the prices of its 1989 whites by 25 per cent late last year. Others followed suit and have since experienced a slight improvement in sales.

But the industry's difficulties go beyond the immediate economic problems. International competition from Australasia, Spain, South Africa, eastern Europe and South America is increasing. These regions, with their aggressive export strategies, represent a growing threat to French wines.

French attempts to battle back will be hampered by the changes in consumer taste, most of which are unfavourable to France. The bulk of French wines, for instance, are reds, but the strongest demand worldwide is still for whites.

"This is a difficult time," says Mr Jean-Marc Dulong, commercial director of Dulong Frères, a Bordeaux *négociant*. "Our customers outside France want easy wines with lots of fruit, which is different from the traditional French style."

In France itself there is a discernible shift, particularly among younger consumers, away from the "classic" French wines from Bordeaux, Burgundy and Beaujolais towards more adventurous southern wines, such as Corbières, Minervois and the better-made *vin de pays*.

Moreover, French wine, like the rest of the international drinks industry, faces the challenge of the swing against alcohol. Wine consumption continues to fall in France, where per capita consumption has declined by almost a third, albeit to a heady 73 litres a year, in the past decade.

The logical consequence of these pressures will be concentration of ownership within the industry into a smaller number of larger companies. "We have to be realistic," says Mr Philippe Hernandez, director of Société de Distribution des Vins Fins in Bordeaux. "Eventually there may be as few as 20 *négociants* left in this region compared with 300 today."

The structure of the market is also likely to alter. Traditionally the wine producers, the *viticulteurs*, have been independent of the distributors, the *négociants*. This is changing. Some top Bordeaux châteaux – Lafite, Latour and Mouton-Rothschild – already own *négociants* that handle part of their distribution.

Producers are reluctant to discuss the issue for fear of upsetting their *négociants*, but most admit privately that they plan to expand their distribution activities. Conversely, some *négociants* are increasing their investment in viticulture and in marketing initiatives such as brand development.

As for the wines themselves, the drive towards higher quality that started in the 1980s is certain to continue. Lower-grade producers, notably the subsidised smallholders and co-operatives producing plonk in the south, may be forced out of business. These peasant producers are the main French targets of a European Commission initiative to reduce Europe's wine-growing area by 500,000 hectares – five times the size of Bordeaux – over the next five years.

In the meantime the industry is waiting to see how the 1991 vintage is received and what sort of harvest it reaps this year. "Everything depends on 1992," says Mr David Orr, president of Château Latour. "What we all want is a small harvest of super quality. If we get it, the market will be much better. If we don't, life will get even tougher."

Trials and tribulations

Clive Cookson on large-scale clinical drugs testing

In 1987, the Wall Street Journal ran an editorial entitled "Human Sacrifice", which suggested that no American doctor should take part in clinical comparisons between a new "clot-buster" drug and a 30-year-old treatment for heart attack patients.

The article echoed the opinion of many US cardiologists that it would be wrong to give patients streptokinase, which had been introduced in the 1950s, because tPA, heralded as the first blockbuster drug to emerge from biotechnology, was more efficient at dissolving the blood clots that cause heart attacks.

But Oxford University went ahead anyway with a clinical trial, known as Isis-3, which compared the effect of streptokinase, tPA and Apsac (another new clot-buster drug) on 46,000 patients in 20 countries.

The results of Isis-3, said to be the largest clinical trial in medical history, were published this week. They confounded the sceptics who had said the comparison was unnecessary, or even unethical, because the new drugs would be bound to work better.

Streptokinase turned out to save just as many lives as tPA and Apsac and it was safer than them because it caused fewer strokes as a side-effect. Yet tPA and Apsac cost five to 10 times as much as streptokinase, which lost its patent protection decades ago.

The results are a blow for Genentech and SmithKline Beecham, the manufacturers of tPA and Apsac respectively. But they vindicate researchers who believe that the pharmaceutical industry and public health authorities should support more clinical "mega-trials".

The clinical trials which manufacturers are required to carry out before launching a new drug – typically involving 2,000 or 3,000 patients – are too small to distinguish important differences between competing treatments for common diseases. Statisticians say these need to be followed up by trials involving tens of thousands of patients who are divided at random into groups receiving different treatments.

Even before Isis-3, mega-trials had transformed the treatment of heart attacks. Gissi-1 and Isis-2, co-ordinated from Milan and Oxford respectively, proved in the 1980s – to the surprise of many doctors – that a combination of two old drugs, aspirin and streptokinase, halved the death rate of patients brought into hospital after a heart attack. Dr Rory Collins, Isis co-ordinator, estimates that this treatment is now saving 4,000 lives a year in Britain.

The Gissi team in Italy was first to move on to compare tPA with streptokinase. Its Gissi-2 trial with 20,000 patients came to a very similar conclusion in 1990 as the larger Isis-3 this week: in clinical practice tPA does not live up to its theoretical advantages as a more efficient clot-buster.

The main market for tPA is the US, where Genentech sold $195m worth last year – representing 38 per cent of the California biotechnology company's total revenues. (In Europe, heart attack patients are normally given streptokinase; tPA is reserved for people who suffer a second heart attack within a year and may be allergic to streptokinase.) Half of all US patients treated with clot-dissolving drugs receive tPA.

"If US physicians began to use streptokinase routinely instead of tPA, this might avoid hundreds of strokes each year – and it would save more than $100m each year in US drug costs," says Dr Collins.

Prof Desmond Julian, medical director of the British Heart Foundation, the leading heart charity, praises Isis-3. "We feel that the size of the trial is of immense importance and so is its independence from specific drug companies," he says. "Isis-3 is likely to have a very substantial effect on the choice of drug" for heart attack patients.

But Genentech is fighting to prevent that happening. Mr Kirk Raab, chief executive, insists that "the Isis-3 findings are irrelevant to our product and to standard prescribing patterns for thrombolytic therapy in the US".

Genentech and SmithKline Beecham both maintain that certain technical flaws in Isis-3 prevented their products showing their superiority to streptokinase. For example, they say the trial did not administer heparin, another blood-thinning drug, in the best way.

In addition, Genentech points out that Isis-3 did not use its tPA (trade name Activase) but a version made by Wellcome of the UK and abandoned in 1990 after a court ruled that it infringed Genentech's patent. The Isis researchers argue that the two are equivalent in their clinical effects but the US company disagrees.

As the streptokinase suppliers, Kabi Pharmacia and Astra of Sweden and Hoechst of Germany, gear up new sales campaigns based on Isis-3, Genentech is advising cardiologists to wait for the results of yet another mega-trial now under way: Gusto.

Gusto will compare the effectiveness of Activase and streptokinase treatments on 40,000 patients under US conditions. Its costs – estimated at $55m – are being met mainly by Genentech, though Gusto, like Isis and Gissi, is in the hands of a co-ordinating group independent of the drug industry. Gusto's results are due next year.

Meanwhile, medical researchers are planning more mega-trials. At Oxford, Mr Richard Peto, the Isis statistician, has designed a £10m study to answer one of the most vexed questions in medicine today: "does really effective lowering of blood cholesterol in middle age save lives?"

Some experts, including Mr Peto, believe passionately that the answer is yes: "Cholesterol is a cause of nearly all heart attack deaths and there are no proven hazards of lowering it." Others point to the fact that smaller-scale trials of cholesterol reduction have shown no net benefits.

The only way to resolve the argument would be a trial with 20,000 people at high risk of a heart attack, divided at random into two groups. For five years, one half would take a strong cholesterol-lowering drug and the other would take inactive pills – mega-trials do require participants to make a certain sacrifice for the sake of medical knowledge.

LETTERS TO THE EDITOR

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Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Forecasting growth in engineering

From Mr Ian Thompson.

Sir, Charles Leadbeater's analysis ("Productivity static in engineering sector", March 26) of the Engineering Employers' Federation's latest forecasts concludes that "this downturn is less likely to bring the industry long-term gains" in productivity. He points out that engineering productivity increased by 11 per cent between 1979 and 1982, despite a steep reduction in output.

However, the productivity gain in 1979-82 was achieved through a reduction of employment in the industry of more than 700,000. Employment reduction on that scale could not be repeated. It is two and a half times as many as the reduction in 1989-92.

The best conditions for improving productivity are of course not during recession but when output is rising. The EEF's forecasts to mid-1993 indicate an increase of some 5 per cent in output and 8 per cent in productivity in the next 15 months.

Continuing growth of engineering output and productivity beyond mid-1993 will be crucial not only for the industry itself but for the whole UK economy.

Ian Thompson,
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Many UK employers strongly support a minimum wage

From Sir Sigmund Sternberg.

Sir, As the controversy over the minimum wage continues, it would be unfortunate if the impression took hold that all – or even most – employers are hostile to it.

Many employers strongly support the principle of a floor to wages. Good employers have nothing to fear from a minimum wage, particularly one set at the modest level of £3.40, and much to gain.

Nor does Britain have anything to fear from a minimum wage that merely brings us into line with our European partners, nearly all of which have lower rates of unemployment and higher skills levels than we do. They have understood better than our own government that a minimum wage improves standards in industry by preventing the bad employer from undercutting the good, and that its absence is likely to impede rather than promote investment.

Two aspects remain significant about this debate. One is that all polling confirms that a majority even of Conservative voters support the introduction of a minimum wage at £3.40, despite the best efforts of the government. The second is that the debate remains precisely similar to the debates which took place before the introduction of equal pay legislation and of legislation on child labour. The critics of reform were wrong then when they forecast that equal pay laws would force women out of the labour force – and they are wrong now.

I only wish that ministers took as much trouble trying to improve Britain's desperately poor record on training as they do trying to maintain pay at levels that have no place in a modern society.

Sigmund Sternberg,
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Oxfam aims on poverty

From Ms Belinda Coote.

Sir, As author of Oxfam's book, "The Trade Trap: Poverty and the Global Commodity Markets" (March 24), I feel your reviewer, David Dodwell, has misrepresented its content.

Nowhere in the book do I suggest that alternative trade or "development friendly consumerism" are in themselves a solution to the problems facing commodity-dependent developing countries. This is why the book focuses on structural inequalities in the international trading system which undermine the welfare of producers in the South. The policy recommendations include calls for the withdrawal of trade barriers in the North, reform of the Common Agricultural Policy and the creation of a genuinely multilateral world trade system. Without such reforms it is difficult to see how international trade can act as an engine of growth and recovery for the South.

Mr Dodwell would have preferred to see a greater focus on problems created by governments in the South. Oxfam is well aware of policy failures of Third World governments, which are explored in the book. But our main purpose was to expose links between poverty and trade arising from distortions in the international market place. This is why we focus on the need for international good governance, and call on the North to extend the principles of democracy and co-operation to the management of world trade.

Finally, Mr Dodwell's equation of alternative trade with CAP cannot pass without comment. Whereas the benefits of the CAP are enjoyed disproportionately by the biggest farmers, our alternative trade proposals are intended to enable highly vulnerable producers to participate more effectively in international markets.

Belinda Coote,
Oxfam,
274 Banbury Road, Oxford

Insurance for pensions a non-starter

From Mr A P Benson.

Sir, James Carty (Letters, March 26) rather misses the mark when he suggests that pension fund managers should have insurance cover (presumably against the risks of professional negligence and fidelity) equal at least to the total level of funds which they have under management.

He cites the case of fund managers controlling assets of £27bn and having some unspecified form of cover for £50m. Premiums necessarily charged by insurers do not solely relate to their perception of the probability of their being called upon to pay claims. Part of any premium is paid for the commitment of an insurer's financial capacity (ie his solvency), and in the example used by Mr Carty this premium element alone would produce a considerable cost.

Additionally, and bearing in mind the relatively low asset bases of most insurers today, it would be imprudent of any insurance buyer to over-expose himself to any single insurer. If in this field a buyer decided that it was prudent to place no more than £25m of cover with any one insurance carrier it would be necessary to put together a panel of more than 1,000 insurers to provide coverage to the level which Mr Carty proposes. The frictional or overhead costs of creating such an arrangement would be massive indeed.

In short, insurance to such levels of indemnity is a non-starter. The more sensible and less costly procedure would be to control the fundamental risk by the imposition of statutory requirements relating to the roles both of trustees and of fund managers, coupled with a requirement for relatively modest compulsory insurance to provide basic protection against some, although certainly not all, of the inevitable risks inherent in the investment management process.

A P Benson,
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Which class of reader?

From Mr Peter Wood

Sir, Roy Greenslade's argument ("Book Review: A better class of reader", March 26) that British newspaper reading habits in "a nation with two distinct presses appealing to two different audiences" are class-based is, I believe, mistaken. First, it assumes too easily that the upper and middle class constitute "an articulate, literate elite" without indicating what literacy ought to mean in such a context. Second, it ignores the subtle but significant differences between broadsheet newspapers and what might be regarded as serious intellectual and emotional divides – as for example between Guardian readers and Times readers.

The notion that the upper and middle classes in Britain nowadays constitute any sort of literate elite in an age when genuine discussion is notable for its absence, when Lord Young regards Radio 3 as an "indulgence", and when few people other than academics seem to read anything other than newspapers is remarkable (and creditable) for its optimism.

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The right language

From Mr Peter Hunt.

Sir, Christopher Lorenz's article, "Sum total adds up to more than the figures" (March 6), was an interesting one, with a sting in its tail.

As a Fellow of the Institute of Personnel Management I might have taken umbrage at the thought that Personnel use "arcane language", but unfortunately I agree.

One of our weaknesses can be a tendency to communicate in a jargon almost comparable with that of the computer industry!

But the key issue was hidden in the article in the lines: "The only totally common ground between disciplines in business is not finance, but people."

How true this is. Though management may not need to learn the personnel language, perhaps we should encourage them to ask Personnel to explain, simply, how the common sense of dealing with people can be used to harness employee power and generate a contribution to the organisation's "bottom line".

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The Hedges,
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Last bank signs terms of Brent Walker restructure

By Maggie Urry

BRENT WALKER's financial restructuring was all but completed yesterday when the last bank to agree to the terms signed the documents. "It would take an act of God to stop it now," an official close to the negotiations said.

A meeting has been scheduled for Monday at Standard Chartered, the bank leading the negotiations, to put final signatures to the deal.

A way has been found round the condition to the refinancing that an agreement should be reached with Grand Metropolitan, the leisure group, concerning the £50m Brent Walker owes it.

The restructuring plan, the UK's largest, involves the conversion of £250m of debt into shares, giving the banks more than half the company's equity.

It has involved, bankers say, some unprecedented moves, such as the inclusion of a bank which is in administration, British & Commonwealth Merchant Bank is one of the lenders in the syndicate which lent for the purchase of the William Hill betting shop chain.

The conclusion of the refinancing will end more than 18 months of negotiations between Brent Walker, which runs a large public house estate as well as owning William Hill, and its 60 main banks. During the period, when Brent Walker frequently seemed to be on the point of receivership, the amount of debt involved has risen as interest has been rolled up into the capital amount and now totals £1.65bn.

The 47 banks which lent directly to Brent Walker are understood to have signed by Thursday, while the 30 banks in the William Hill syndicate, of which 17 are also in the group of 47, completed signing yesterday. One bank had apparently raised last minute objections but signed yesterday afternoon.

It is expected that supplementary listing particulars for the new shares will be posted today. The new shares should be issued on Monday, when the company will also be entitled to draw down the bank facilities.

Trading in the new shares is planned to start on Tuesday. Brent Walker shares, which have been traded throughout the negotiations, were down 1p to 10½p yesterday.

The refinancing had to be completed by Tuesday, the day when shareholder approval for the restructuring plan, gained at a special meeting last December, ran out.

The group started negotiations with its banks in autumn 1990 when it launched a convertible bond issue and the extent of its difficulties were realised. A standstill agreement with its banks was signed in November 1990 with the aim of refinancing the debt by February last year. However, the talks dragged on far longer than expected as a series of problems arose.

Lloyds Chemists wins control of Macarthy

By Maggie Urry

LLOYDS Chemists, the fast-expanding chemist chain, yesterday won control of Macarthy, its smaller rival, when its agreed £92.5m bid was accepted by holders of 79.2 per cent of the ordinary shares.

The takeover will give Lloyds a total of 1,280 stores.

Mr Allen Lloyd, chairman and chief executive, said last night he was delighted by the response to the offer which had been recommended to Macarthy shareholders by their board. Lloyds had tied up 26.2 per cent of the shares before it made its bid.

The news came after the stock market closed with each company's shares at 328p, Lloyds down 2p and Macarthy down 1p. The offer was of one Lloyds share for every Macarthy share.

A cash alternative at 305p has now closed, but holders of only 40,896 shares had opted for cash. Holders of over 90

Allen Lloyd: delighted by the response to the offer

per cent of each class of Macarthy's preference shares had also accepted.

Lloyds' bid was launched in February two days after clearance from the Monopolies and Mergers Commission which had been examining two bids made for Macarthy last year.

Originally Grampian Holdings, a Scottish mini-conglomerate, bid for Macarthy in May last year but later pulled out. That was followed by bids from UniChem, the retail and wholesale group, and Lloyds.

Both bids were referred to the MMC and cleared. However, UniChem decided that the Macarthy price had risen too far by the time its bid was cleared.

Lloyds' success appears to have been based on three things: the recommendation from Macarthy, the inclusion of a cash alternative, and the acceptance of the bid terms by Govett Strategic Investment Trust for its 16.5 per cent stake before the offer was launched.

Lloyds had held 9.7 per cent of Macarthy's shares since its earlier bid.

Recession cuts UDO to £2.7m

By Andrew Bolger

UDO HOLDINGS, which supplies drawing office equipment and reprographic services, said there had been no let-up in recessionary trading conditions when it reported a drop in interim pre-tax profits from £4.15m to £2.71m.

Turnover fell from £28.3m to £25m in the six months to January 31. The company said 50 jobs had been shed out of 1,000 in the last year and working capital restricted, but no measures could offset the fall in turnover completely.

Although earnings per share fell to 6.22p (9.41p), the interim dividend is raised by 20 per cent to 1.94p (1.62p). The company cited the strength of its balance sheet to justify this payment, cash balances having increased by £1.5m to £14.9m.

UDO said it had introduced new products and claimed its position had also been improved by a reorganisation of management, recent acquisitions and the effects of recession on competitors.

Mr Mike Wright, chairman, said: "The measures taken to mitigate the effect of the recession will undoubtedly benefit the group when business improves. There is however no current indication of any such improvement, with many companies unable or unwilling to invest for the future.

"The vast majority of overhead saving have already been made and the major problem still facing the group remains the level of turnover."

PW to interview MCC board

By Raymond Snoddy

THE DIRECTORS of Maxwell Communication Corporation have all been been invited for formal interviews by Price Waterhouse, the administrators of the publicly quoted Maxwell interests.

The interviews – likely to be held in May – represent a further stage in Price Waterhouse's process of evaluating every aspect of MCC's activities in the two years before the company went into administration. It is believed that the interviews will be conducted by Price Waterhouse investigators with lawyers present.

It is considered unlikely that either Mr Kevin or Mr Ian Maxwell will be willing to give voluntary interviews. Both will be interviewed in a private court hearing under insolvency legislation.

Meanwhile investigative work continues on 2,000 crates of MCC documents. Two significant strands of work are being simultaneously pursued.

Teams are still trying to reconcile the mass of transactions made by MCC, many of them between MCC and the Maxwell private interests. About £6bn-worth of transactions into MCC and £6bn out have been identified but it is believed large gaps and transactions are still unaccounted for.

In a presentation to banks in December, Price Waterhouse also made clear that it was interested in looking in detail at the accounts of MCC to see if there was any artificial inflation of profits and, if so, who was involved. That process is now under way.

The Serious Fraud Office, which has seized more than three tons of documents since November, will soon start looking in detail at the affairs of MCC.

All the signs are however that early prosecutions are unlikely and that the process of sifting the vast bulk of material by administrators and fraud investigators alike could continue throughout 1992.

● Another small bit of the Maxwell empire has changed hands, having been sold to Mr Brian Gilbert, a former main board director of MCC.

Mr Gilbert completed the purchase of MBC Data Service, a company specialising in the publication of annuals and yearbooks particularly for the legal profession.

Mr Gilbert paid £3.65m for the small deal which follows hard on the heels of his purchase of the main industrial magazines of Maxwell Business Communications for £5.5m.

● Mirror Group Newspapers Pension Scheme has appointed Fleming Investment Management as its sole investment manager, adds Norma Cohen.

Mr Patrick Johns, marketing director, declined to disclose the value of assets under management, citing instructions of the pension fund trustees.

However, MGN is believed to have accounted for roughly half of the estimated £700m of Maxwell company pension funds, of which £400m is believed to have been siphoned off by the late Mr Robert Maxwell.

HTV tumbles but expects sharp recovery

By Raymond Snoddy

HTV, the ITV company for Wales and the west of England, suffered a drop in profits from £4.94m to £441,000 pre-tax for the 1991 year.

Some recovery in advertising revenue in the second six months enabled the company to wipe out a first half loss of £4.8m.

Extraordinary items of £8.02m included the cost of applying for a new licence, closure expenses and a £4.3m provision which arose from the disposal of the fine arts division.

HTV now plans to concentrate on its core television activities.

Mr Louis Sherwood, the chairman, said yesterday that he expected "a significant recovery in 1992, due partly to some improvement in net advertising revenue which has been evident during the early months of this year."

HTV had made conservative estimates of growth in advertising in its application for a new licence – an average real growth of 2.9 per cent a year over 10 years.

The ITV companies' prospects would also be boosted by savings in overheads already achieved and the reduction in the Exchequer levy on ITV profits.

HTV won a new 10 year licence beginning in January by narrowly outbidding three rivals with an annual bid of £20.5m.

Mr Sherwood insisted yesterday that because of such factors as no longer having to contribute towards the cost of the Welsh fourth channel and savings on transmission charges "the overall effect is scarcely more expensive."

Since 1988 the number of people involved in the franchise operation has fallen from 998 to just over 500.

Mr Charles Romaine, HTV's chief executive, said yesterday that as a result of the redundancies "the level of staff matched the level of business and we are now in the process of building up morale."

Despite the pressure HTV is proposing to maintain its final dividend at 2.25p making an unchanged 3.75p total.

Turnover at £171.7m was slightly down on last year's £178.8m.

Because of the substantial extraordinary charges and provisions, net assets per share were reduced to 53.05p compared with 73.5p in 1990.

The company was hoping that improved cash generation this year would ensure a substantial reduction in borrowings currently at around £20m.

Mr Huw Davies, director of television, was optimistic that the break-up of "the old producer's cartel" and its replacement with a central network scheduling system would mean more national programme opportunities for HTV.

The shares closed 2p higher yesterday at 65p.

BDM has £29m price tag in market float

By Richard Gourlay

BRITISH DATA Management, a business services group, yesterday announced that it was seeking a Stock Exchange listing through the placing of 52 per cent of the company at 125p.

The placing values the company at £29.1m and puts the shares on a multiple of 11 times prospective earnings of 11.4p, based on a pre-tax profits forecast for the year to June of £3.5m.

About £10m of the proceeds will repay debt and reduce gearing to give the new public company nil gearing.

The balance is being taken out of BDM by three directors, led by the chairman Mr Stephen Crown, who bought the present operating divisions from Britannia Security Group in 1989 for £10m.

Most of the shares were placed yesterday with a variety of institutions, but 1m were placed with private investors.

BDM's main subsidiary, Britannia Data Management, is the UK's largest contract storer of oil exploration data for major oil companies. It is also involved in off-site storage of documents and back-up computer data and the long-term storage of archives.

BDM also owns Eurocrate, the UK's second largest supplier of removal crates, and Britannia Storage Systems, which is involved in design and installation of data storage systems.

Mr Crown said that division had been hit by recession but was the only profitable area in 1989 and provided essential cash flow for the group.

Mr Crown will retain 32 per cent of the company. He said none of the directors would be selling in the near future and that he would allow his stake to fall as the group grew through acquisitions.

In the year to June 1991, BDM made operating profits of £2.3m on sales of £12.68m, and paid £1.17m in interest on debt taken on to finance the acquisition from Britannia Security Group before it was taken over by ADT. In 1990 operating profits were £989,000 against losses of £253,000 in 1989.

Mr Crown said BDM would be the only quoted company dedicated to data management.

NM Rothschild sponsored the placing and Smith New Court was broker.

Europa board faces new attack

By Kenneth Gooding, Mining Correspondent

THE BOARD of Europa Minerals, a UK mining finance house, is facing its second assault by dissident shareholders in 12 months.

Austmin Gold, an Australian mining company which owns 14.4 per cent of the UK group, has asked for representation on the board "with a view to solving Europa's problems and returning value to shareholders."

Mr Arthur Smith, Europa's chairman, said yesterday the board would contest Austmin's proposals. He said the directors were nearly ready to put forward their own restructuring and refinancing proposals, worked out with adviser Lazards.

Early indications suggested the board, which last April successfully fought off a shareholder group led by Mr Alastair Holberton, another Australian, had a battle on its hands.

Two institutional investors, Abbey Life, with just under 10 per cent of Europa, and M&G, with just over 10 per cent, at present tend to favour Austmin's proposals.

Waverley Asset Management, with about 6 per cent, is sitting on the fence until it sees both proposals in detail. Nobody was available yesterday to speak for Standard Life, a 9 per cent shareholder.

Austmin has nominated Mr Guido Staltari and Mr Bob Duffin as its proposed representatives on the Europa board. It pointed out in a statement that Europa shares were floated in February 1989 at 100p and now stood at 8p. It said that in the 18 months to July 31 Europa had lost £13.7m or two thirds of shareholders' funds.

Austmin said it recently made proposals to Europa and asked for board representation. "In the absence of any satisfaction on these issues, Austmin has been left with no alternative but to requisition an extraordinary meeting to obtain representation on the board."

EMH shares suspended while talks proceed

By Andrew Bolger

Shares in European Motor Holdings, the motor retail group formerly known as Cargo Control, were suspended at 128p yesterday as the company said it was in talks which might lead to it making a very substantial acquisition.

European Motor Holdings, which bought the motor retail division of Thomas Robinson Group for £7.1m in November, incurred pre-tax losses of £735,000 for the six months to September 30 on turnover of £3.7m. An announcement about the acquisition is expected on Monday.

Election fear prompts early pay-out

By Andrew Bolger

The outcome of the election is beginning to worry corporate Britain – at least the small part of it represented by Town Centre Securities, a Leeds-based property group.

It is bringing forward its interim dividend of 1p per share from June to April 3. Mr Norman Bell, company secretary, said this reflected concern over the election and the board's wish that shareholders should receive their money in the current tax year.

Further questions were referred to Mr Arnold Ziff, the company's chairman. Unfortunately Mr Ziff was not available for comment, but he has been more forthcoming in his other capacity as chairman and main shareholder of Stylo, the Bradford-based shoe retailer.

In Stylo's annual report for 1991, Mr Ziff said "this government is doing more harm to British industry than any government this century".

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Breedon	fin	2.85	May 22	2.85	4.6	4.6
HTV Group	fin	2.25	July 3	2.25	3.75	3.75
I&S Optimum	int	1.8‡‡	May 7	1.75	-	7
Murray Split Cap	int	3.3★	Apr 30	-	-	-
Portmeirion	fin	5.1	May 29	5.1	7.35	7.35
Relyon	fin	3.15	May 26	3.15	4.9	4.9
Sentry Farming §	fin	1	-	nil	1	nil
UDO Hldgs	int	1.94	May 22	1.62	-	5.75

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡‡Third quarterly dividend making 5.4p so far. ★Second interim making 5.8p to date.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc Date	1991/92 High	1991/92 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
500	F.P.	–	548	461	Amicable Smllr Units	462	–1	N3.1	–	0.9	–
106	F.P.	–	105	95	Avonside Group	103	–1	L5.8	2.1	7.5	8.3
–	F.P.	–	378	378	Bodycote Intl (RFD)	378		B.75	3.0	3.1	13.9
–	F.P.	–	36	27	♦CRP Leisure	27		–	–	–	–
†	F.P.	–	75	56	Capital Industries 1p	57		–	–	–	–
70	F.P.	–	72	63	Fleming Inc & Cap Tst Inc	66		F4.73	–	9.5	–
100	F.P.	–	102	94	Do. Units	98		F4.73	–	6.4	–
30	F.P.	–	32½	30½	Do. Zero Div. Pf.	32½	+½	–	–	–	–
110	F.P.	–	127	119	Forth Ports	125	–1	W5.5	3.6	5.9	6.3
–	F.P.	–	72	69	Headlam Group (RFD)	71		2.4	1.2	4.5	23.7
£10½	F.P.	–	£12½	£10½	Latin Am Inc & Appr. 1c	£11½		–	–	–	–
–	F.P.	–	11	½	Multitrust Warrants	11		–	–	–	–
–	F.P.	–	104	102	Riv & Mrc Tst Inc12 1/2p	103		N9.2	–	11.9	–
–	F.P.	–	124	117	Do. Stpd Prf 12 1/2p	125		N5.6	–	6.1	–
115	F.P.	–	128	121	Rossbys	127		14.3	1.7	4.5	14.6
100	F.P.	–	100	98	Templeton Emrg Mkts. C.	99		–	–	–	–
–	F.P.	–	160	158	Usher-Walker (RFD)	158		5.5	1.3	4.6	21.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991/92 High	1991/92 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	101½p	99½p	Bank of Ireland Units Non-Cum Prf A	99½p	
10p	F.P.	-	10p	8p	Bute Mining 10pc (Net) Cv Prf 1994	9p	
100	F.P.	-	107½	98½	Cambourne Inds 10½pc Rd. Deb. 2001	105½	+5
100p	F.P.	-	107p	100p	Fidelity Euro Values Equity Ln 2001	107p	
105	F.P.	-	110	98	Greencore 9.5% Cnv Un Ln Stk 1995	110	
100p	F.P.	-	105½p	98p	NatWest Bank 9pc Prf Series A	98p	-½
650p	P.P.	-	340	330	Thorn EMI Non-Int. Bearing Cv Units	335p	
‡	F.P.	-	75p	68p	Wembley 6p (Net) Cv Cum Prf 1999	68p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991/92 High	1991/92 Low	Stock	Closing Price p	+ or -
12	Nil	28/4	½pm	½pm	Addison Consultancy	½pm	
410	Nil	22/4	115pm	52pm	Bespak 10p	107pm	
605	Nil	–	119pm	113pm	Bowater	117pm	
212	Nil	27/3	37pm	21pm	British Vita	30pm	
27	Nil	27/3	¼pm	¼pm	Caldwell Invs. 10p	¼pm	
15	Nil	1/5	40pm	5pm	Trinity Intl 10p	11pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. O Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ♦ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

● First Dealings March 16
● Last Dealings March 27
● Last Declarations June 25
● For settlement July 6

3-month call rate indications are shown on page 11.

Calls in: ASDA, Kells Mins, Microvitec, NatWest Bank, Premier, Pelon and Tarmac. Puts and Calls: Lonrho and Wilshaw.

NEWS DIGEST

Breedon declines by 40%

BREEDON, the Derbyshire-based limestone quarrying and housebuilding group, suffered a 40 per cent contraction in pre-tax profits in the 12 months to January 31, a "difficult year" when supply was in excess of demand and profit margins were squeezed.

However, the directors have recommended maintaining the final dividend at 2.85p for an unchanged total of 4.6p.

Turnover shrank by almost 32 per cent to £9.49m (£13.9m) and operating profits were reduced to £1.9m (£3.72m). Other income edged ahead to £722,000 (£626,000) but gains from the sale of non-trading assets fell to £146,000 (£241,000).

Attributable profits declined by a little more than £1m to £1.95m and earnings worked through at 6.85p (10.68p) per share.

The company said that it remained in a sound financial position and had no borrowings.

Ricardo

Interim pre-tax profits for the six months to December 31 from Ricardo International, the engineering consultancy, halved from £2.5m to £1.21m. Turnover was slightly down at £28.6m, compared with £31.9m.

The interim dividend is maintained at 1.9p from earnings of 2.48p (5.24p) per share.

Newey

Newey Group, the West Midlands-based smallwear manufacturer which is wholly-owned by William Prym-Werke of Germany, achieved pre-tax profits of £1.01m for 1991 compared with £1.72m previously. Turnover edged up from £28m to £28.5m.

Changes in accountancy conventions in 1991 led to the closure costs of WH Saunders and an associated change in stock holding being taken as an exceptional £940,000 rather than an extraordinary and led to the lower result.

Earnings per share fell to 22.8p (49.4p).

Ennex International

Ennex International, the USM-quoted natural resources company based in Dublin, announced a net loss of £6.21m (£3.58m) for 1991 compared with £17.4m in 1990.

The loss was after tax and an exceptional $5.79m ($18m) charge mainly in respect of the write-down of certain tangible and intangible fixed assets. The 1990 exceptional related to a provision against the carrying value of mineral interests.

MY Holdings

MY Holdings, the USM-quoted packaging company, continued its recovery in the six months to February 29 with pre-tax profits of £758,000 compared with losses of £337,000 last time and full-year profits of £547,000.

Turnover fell from £19.4m to £16.6m resulting from discontinued activities. Interest costs fell substantially to £305,000 (£638,000).

Earnings per share were 1.47p (losses 0.81p) and the interim dividend is reinstated with a payment of 0.25p.

CMW

CMW Group, the USM-quoted architect, interior designer and planning specialist, achieved a 93 per cent increase, from £373,000 to £719,000, in pre-tax profits for the year to end-November.

The advance was achieved on turnover up from £5.3m to £5.5m.

At the time of the placing and open offer in June 1991 the profit forecast was "not less than £700,000".

Earnings per share emerged at 10.24p and the proposed final dividend is 1.53p making a total of 2.43p.

Portmeirion

Portmeirion Potteries (Holdings) reported a 24 per cent fall in profits to £2.61m pre-tax for 1991. Sales, however, were boosted by a favourable exchange rate and rose by 5 per cent to £20.4m.

A proposed final dividend of 5.1p makes a same-again 7.35p total. Earnings fell by 29 per cent to 16.68p per share.

Mr George Hesp, managing director, said the recession had affected demand, particularly in the UK. He added that the notable exception to an otherwise worldwide reduction in demand was the US where, despite the recession, sales had increased by 23 per cent.

Mr Hesp anticipated that demand in 1992 would continue to be affected by the unfavourable economic situation.

Sandell

Sandell Group, the USM-quoted office partitioning company, suffered increased pre-tax losses of £267,000 in the year to September 30, against £137,000.

Turnover was down at £3.22m (£4.18m).

Losses per share were 6p (4.4p) and the final dividend is again passed. Last year there was a total payment of 1.7p.

Micklegate

A sharp reversal in net interest, from a credit of £40,000 to a charge of £593,000 pushed Micklegate Group into the red in the six months to October 31.

The USM-quoted industrial and commercial property developer reported a pre-tax loss of £699,000 for the half year compared with a profit of £22,000 last time. Turnover was up from £2.22m to £3.1m.

Bass

Bass, the UK's leading brewer, has sold 150 pubs to Centric Pub Company, an independent operator based in Nottingham. Most of the pubs are situated in the Midlands and north-west England.

The sale of a further 20 pubs to the company was being negotiated.

Bass has now sold about 2,200 of the 2,740 pubs which it has put on the market to meet government requirements to reduce its tied estate. Terms have been agreed on a further 250 houses.

The disposals have so far realised more than £370m.

Tudor

Tudor, the USM-quoted tiling group, suffered a fall in pre-tax profits from £325,000 to just £23,000 in the year to December 31.

At the same time it announced the acquisition of the ceramic tile and adhesive business of MGB Tiles, a wholly-owned subsidiary of Manders, the inks, paints and property group.

The acquisition will be incorporated into Tudor's United Tile subsidiary. The total consideration is £1.87m via the issue to Manders of 5.24m new ordinary Tudor shares at 20p apiece. This will represent a little less than 48 per cent of the enlarged share capital, following the purchase.

Tudor's turnover edged ahead to £12.5m (£12.3m) in 1991 and trading profits dropped to £303,000 (£474,000). Earnings came to 0.72p (3.66p) and the final dividend is passed leaving a total for the year of 0.5p (2.7p).

Murray Ventures

Murray Ventures, the Edinburgh-based investment group, increased net asset value from 305.8p to 315.8p per share over the six months to January 31.

At the same stage a year ago the asset value was 272.6p.

Net revenue improved from £1.12m to £1.24m and earnings rose to 5p (4.51p). The interim dividend is held at 3.4p.

Secure Trust

Secure Trust Group, the financial services company, reported an 11 per cent improvement in pre-tax profits, from £6.03m to £6.71m, for 1991.

Earnings per share moved ahead to 31.5p (27.4p) and the proposed final dividend is 8.5p lifting the total by 14 per cent to 12p (10.5p).

Horace Clarkson

Horace Clarkson, the shipping and insurance broking group, reported pre-tax profits down by £1.9m to £5.5m for the year to December 31.

The total dividend, however, is maintained at 8p with a recommended final of 5.25p. The distribution comes from earnings per share down from 19.4p to 12.5p.

Turnover rose from £40.9m to £42m.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.93	17.06	17.06
0100	24.99	17.40	18.90
0130	24.99	18.03	19.55
0200	24.99	18.03	19.55
0230	17.63	17.40	18.89
0300	17.61	17.40	18.89
0330	16.87	17.40	18.89
0400	16.80	17.40	18.91
0430	16.76	17.04	17.04
0500	16.76	17.02	17.02
0530	16.76	17.01	17.01
0600	16.73	17.01	17.01
0630	16.76	17.01	17.01
0700	16.78	17.01	17.01
0730	16.75	17.01	17.01
0800	16.83	17.01	17.01
0830	17.17	17.40	18.92
0900	17.49	17.40	18.92
0930	21.66	17.40	18.90
1000	21.68	17.40	18.90
1030	17.49	17.40	18.90
1100	17.49	17.40	18.90
1130	17.49	17.40	18.90
1200	17.49	17.40	18.92
1230	17.49	17.40	18.92
1300	17.49	17.40	18.91
1330	17.49	17.40	18.91
1400	16.78	17.02	17.02
1430	16.76	17.01	17.01
1500	16.73	17.01	17.01
1530	16.70	17.01	17.01
1600	16.73	17.01	17.01
1630	16.66	17.02	17.02
1700	16.76	17.40	18.91
1730	16.78	19.61	21.19
1800	17.49	19.61	21.18
1830	22.63	19.61	21.18
1900	23.38	19.67	21.22
1930	23.38	19.67	21.22
2000	23.38	19.61	21.17
2030	17.49	17.40	18.91
2100	17.49	17.40	18.91
2130	17.17	17.40	18.91
2200	17.17	17.40	18.91
2230	16.78	17.01	17.01
2300	16.75	17.01	17.01
2330	16.69	17.01	17.01
2400	16.69	17.01	17.01

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.98/MWh becomes 1.698p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

ECONOMIC DIARY

TOMORROW: British Summer Time begins - clocks advance one hour. Second round of voting in French Cantonal elections.

MONDAY: Engineering sales and orders at current and constant prices (January). Major British banking group's quarterly analysis of lending (December - February). London sterling certificates of deposit (February). Monetary statistics (including bank and building society balance sheets) (February). Bill turnover statistics (February). Sterling commercial paper (February). US new home sales (February). Start of two-day meeting of the European Community agriculture council in Brussels. Financial Times holds conference "Managing Financial Risks" in London. Preliminary figures from Inchcape and Pearson.

TUESDAY: Finished steel consumption and stock cxhanges (fourth quarter). US leading indicators (February). European Community internal market council meets in Brussels. Western European Union symposium on new security in Europe in Berlin (until April 2). East African leaders meet in Arusha to relaunch regional co-operation grouping. Deadline for local authorities to set poll tax bills.

WEDNESDAY: Advance energy statistics (February). Defence ministers of Nato, Eastern Europe and ex-Soviet republics meet in framework of Nato Co-operation Council. New federation treaty between ethnic regions of Russia and centre due to be signed. Meat and Livestock Commission launches initiative on the industry and meat-eating. Preliminary figures from Harrison & Crosfield.

THURSDAY: UK official reserves (March). US jobless claims; factory orders (February). World Bank conference on food aid policy in Moscow. Timber growers UK annual meeting in London.

FRIDAY: House renovations (fourth quarter). Housing starts and completions (February).

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Fri Mar 27 1992: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1992 to date	Thu Mar 26 Index No.	Wed Mar 25 Index No.	Tue Mar 24 Index No.	Year ago (approx) Index No.	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	785.19	-0.4	7.94	6.06	16.41	7.91	788.44	783.06	783.67	869.21	890.04 15/3/91	675.31 16/1/91	1038.07 16/7/87	50.71 13/12/74
2	Building Materials (23)	945.26	-0.4	7.25	6.57	18.60	2.76	949.00	939.98	945.40	1132.32	1167.75 14/3/91	820.50 23/12/91	1381.08 16/7/87	44.27 11/12/74
3	Contracting, Construction (28)	879.31	-0.3	7.54	6.02	19.94	8.17	881.54	877.15	877.37	1399.24	1438.66 15/3/91	822.60 23/12/91	1951.50 16/7/87	71.48 2/12/74
4	Electricals (7)	2361.23	-0.9	7.91	6.35	16.46	20.97	2382.21	2385.75	2384.44	2453.35	2675.48 1/10/91	1837.98 22/1/91	3040.88 8/9/89	84.71 25/6/62
5	Electronics (26)	1774.97	-0.7	10.23	4.83	12.38	2.63	1787.59	1786.78	1798.34	1809.66	1958.19 15/3/91	1478.08 16/1/91	2308.22 19/5/89	1229.01 8/10/85
6	Engineering-Aerospace (8)	337.13	....	10.04	7.71	12.97	9.52	337.30	336.74	335.28	444.21	469.23 9/4/91	313.50 14/2/92	502.42 13/6/90	313.50 14/2/92
7	Engineering-General (43)	490.46	+0.1	8.63	4.81	14.34	4.06	489.83	489.65	490.33	459.53	506.41 18/3/92	339.57 23/1/91	506.41 18/3/92	339.57 23/1/91
8	Metals and Metal Forming (10)	316.22	-1.0	2.19	10.83	-	0.32	319.50	319.43	320.42	490.37	509.18 3/4/91	296.87 20/12/91	596.67 9/10/87	49.65 6/1/75
9	Motors (14)	314.20	-1.2	8.13	7.49	16.36	4.03	318.13	315.89	314.72	350.99	371.25 6/9/91	266.43 16/1/91	411.42 13/10/87	19.91 6/1/75
10	Other Industrial Materials (19)	1599.98	-0.3	7.43	5.18	16.46	25.72	1605.22	1582.96	1577.52	1551.51	1695.01 2/9/91	1147.76 16/1/91	1881.53 18/8/89	277.55 15/1/81
21	CONSUMER GROUP (187)	1606.21	-0.8	7.49	3.53	16.34	7.27	1619.92	1617.19	1613.62	1427.25	1688.40 10/3/92	1188.45 16/1/91	1688.40 10/3/92	62.41 13/12/74
22	Brewers and Distillers (23)	2032.91	-0.6	7.94	3.58	15.15	7.92	2044.55	2032.63	2006.92	1759.18	2168.05 10/3/92	1478.24 25/1/91	2168.05 10/3/92	69.47 13/12/74
25	Food Manufacturing (18)	1230.80	-0.4	8.89	4.24	13.95	8.41	1235.20	1233.06	1235.60	1184.02	1280.89 24/2/92	1013.60 16/1/91	1280.89 24/2/92	59.67 11/12/74
26	Food Retailing (18)	2591.37	+0.4	8.51	3.27	15.27	4.30	2580.33	2545.14	2536.52	2611.73	2854.91 2/5/91	2231.21 22/11/91	2854.91 2/5/91	54.25 11/12/74
27	Health and Household (24)	4173.83	-1.5	6.56	2.53	17.30	19.68	4237.13	4280.85	4236.84	3185.90	4654.94 14/1/92	2454.93 16/1/91	4654.94 14/1/92	175.30 28/5/80
29	Hotels and Leisure (21)	1252.75	-0.4	7.17	5.45	17.73	8.54	1257.35	1252.67	1260.70	1352.13	1405.62 2/9/91	1066.91 25/1/91	1845.77 8/9/89	54.83 9/1/75
30	Media (24)	1499.76	-0.6	6.43	3.65	19.65	9.98	1508.98	1486.97	1501.08	1465.38	1586.16 3/3/92	1166.91 16/1/91	1586.16 3/3/92	1166.91 16/1/91
31	Packaging, Paper & Printing (17)	740.33	-0.5	7.29	4.46	16.11	5.97	744.20	740.02	745.80	654.14	788.41 9/9/91	486.96 16/1/91	788.41 9/9/91	43.46 6/1/75
34	Stores (32)	982.02	-1.9	7.55	3.70	17.59	1.91	1000.92	1000.85	1012.52	877.23	1082.38 28/2/92	766.89 29/1/91	1160.58 29/7/87	52.63 6/1/75
35	Textiles (10)	649.16	+0.8	7.52	4.78	16.67	2.69	643.70	629.78	636.14	542.42	681.36 10/3/92	396.58 28/1/91	914.52 2/10/87	62.66 11/12/74
40	OTHER GROUPS (117)	1173.12	-0.9	10.35	5.65	12.17	11.06	1183.53	1179.69	1178.21	1182.97	1330.48 2/10/91	961.05 16/1/91	1330.48 2/10/91	58.63 6/1/75
41	Business Services (16)	1271.73	-1.2	7.49	5.13	16.96	4.85	1287.02	1296.24	1292.81	1181.43	1451.74 16/1/92	892.28 1/2/91	1451.74 16/1/92	892.28 1/2/91
42	Chemicals (22)	1449.65	-0.5	7.14	5.05	17.16	20.70	1456.92	1444.34	1439.97	1250.09	1520.52 2/9/91	1004.01 16/1/91	1545.46 5/10/87	71.20 1/12/74
43	Conglomerates (11)	1313.70	-0.9	10.85	7.65	11.25	3.18	1326.03	1318.86	1325.41	1546.20	1626.42 14/3/91	1203.24 23/12/91	1819.46 11/8/89	975.19 10/11/87
44	Transport (14)	2376.68	-1.3	5.54	4.78	24.28	6.61	2407.39	2403.97	2365.43	2185.97	2448.16 17/1/92	1730.07 23/1/91	2584.89 12/7/89	90.80 29/6/62
45	Electricity (16)	1112.16	-0.3	15.80	6.68	8.25	17.21	1116.07	1109.92	1116.21	1128.05	1286.51 2/10/91	994.96 7/1/91	1286.51 2/10/91	994.96 7/1/91
46	Telephone Networks (4)	1317.14	-1.5	11.90	4.76	10.97	16.02	1336.76	1332.94	1326.60	1365.47	1658.67 2/10/91	1085.95 16/1/91	1658.67 2/10/91	517.92 30/11/84
47	Water (10)	2261.71	+0.6	18.86	7.03	5.84	0.00	2248.83	2234.23	2241.10	2399.76	2539.85 6/9/91	2134.83 16/1/91	2539.85 6/9/91	1820.20 1/5/90
48	Miscellaneous (24)	1820.14	-0.9	6.65	5.43	19.83	20.86	1836.63	1840.54	1850.54	1879.91	2033.42 15/8/91	1506.17 16/1/91	2087.06 11/7/89	60.39 6/1/75
49	INDUSTRIAL GROUP (482)	1262.28	-0.8	8.45	4.63	14.80	8.87	1272.18	1268.25	1266.50	1217.62	1326.54 10/3/92	991.97 16/1/91	1326.54 10/3/92	59.01 13/12/74
51	Oil & Gas (18)	1986.78	-0.2	9.39	7.15	14.06	38.16	1991.75	1976.98	1975.76	2355.55	2509.42 23/7/91	1975.76 24/3/92	2528.70 1/8/90	87.23 29/5/62
59	500 SHARE INDEX (500)	1330.27	-0.7	8.54	4.90	14.72	11.04	1339.96	1335.22	1333.48	1314.34	1424.90 2/9/91	1092.04 16/1/91	1424.90 2/9/91	63.49 13/12/74
61	FINANCIAL GROUP (86)	679.00	-1.5	-	6.67	-	11.95	689.05	688.45	686.88	819.58	859.94 15/3/91	667.36 16/1/91	896.67 13/10/87	55.88 13/12/74
62	Banks (9)	854.48	-2.0	4.72	6.39	45.34	22.89	871.78	872.45	873.51	895.90	990.15 6/9/91	695.08 15/1/91	990.15 6/9/91	62.44 12/12/74
65	Insurance (Life) (6)	1352.04	-1.3	-	6.57	-	15.74	1369.47	1351.22	1358.51	1543.04	1632.53 4/9/91	1220.74 16/1/91	1632.53 4/9/91	44.88 2/1/75
66	Insurance (Composite) (7)	448.58	-1.1	-	7.76	-	4.99	453.45	452.47	447.82	691.12	728.27 15/3/91	431.71 18/3/92	744.11 29/12/89	43.96 13/12/74
67	Insurance (Brokers) (10)	910.43	-0.6	8.96	7.36	15.37	18.78	916.38	924.59	923.92	1177.94	1202.38 5/4/91	910.43 27/3/92	1399.56 17/7/87	65.86 16/12/74
68	Merchant Banks (7)	427.24	-0.2	-	4.65	-	4.25	427.92	428.57	430.84	429.87	498.05 15/11/91	327.70 16/1/91	547.59 12/10/87	31.21 7/1/75
69	Property (33)	673.34	-1.3	8.54	6.74	16.03	1.32	682.37	682.28	668.10	1009.87	1087.65 15/3/91	663.29 23/3/92	1398.87 5/7/89	56.01 20/4/65
70	Other Financial (14)	229.47	-0.3	8.70	7.61	15.10	2.13	230.12	231.64	234.05	292.58	298.63 15/3/91	225.10 23/12/91	603.48 16/7/87	33.29 17/12/74
71	Investment Trusts (68)	1150.87	-0.5	-	3.85	-	10.34	1156.62	1156.93	1161.27	1192.59	1261.80 5/9/91	947.19 16/1/91	1323.81 4/1/90	71.12 13/12/74
99	ALL-SHARE INDEX (654)	1176.13	-0.8	-	5.07	-	11.03	1185.64	1181.92	1180.40	1193.33	1284.07 6/9/91	987.46 16/1/91	1284.07 6/9/91	61.92 13/12/74

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Mar 26	Mar 25	Mar 24	Mar 23	Mar 20	Year ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
FT-SE 100 SHARE INDEX♦	2447.9	-24.3	2466.7	2441.8	2472.2	2464.9	2458.7	2441.0	2456.6	2456.5	2679.6 2/9/91	2054.8 16/1/91	2679.6 2/9/91	986.9 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Mar 27	Day's change %	Thu Mar 26	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (27)	120.74	-0.10	121.14	2.21	2.66
2	5-15 years (25)	132.16	-0.38	132.66	1.73	4.09
3	Over 15 years (9)	141.18	-0.51	141.91	1.93	2.78
4	Irredeemables (6)	157.26	-0.41	157.90	3.32	1.50
5	All stocks (67)	130.99	-0.30	131.49	1.97	3.48
	Index-Linked					
6	Up to 5 years (2)	169.99	....	169.98	0.44	1.37
7	Over 5 years (9)	144.77	-0.18	145.03	0.73	1.20
8	All stocks (11)	147.21	-0.15	147.34	0.68	1.21
9	Debs & Loans (62)	114.91	-0.64	115.65	2.36	2.72

	AVERAGE GROSS REDEMPTION YIELDS		Fri Mar 27	Thu Mar 26	Year ago (approx.)	1991/92 High	1991/92 Low
	British Government						
1	Low	5 years	9.22	9.10	9.37	10.14 16/1/91	8.42 12/11/91
2	Coupons	15 years	9.63	9.57	9.64	10.24 2/1/91	9.08 27/2/92
3	(0%-7¾%)	20 years	9.63	9.57	9.80	10.26 2/1/91	9.08 27/2/92
4	Medium	5 years	10.07	9.98	10.20	11.15 2/1/91	9.34 27/2/92
5	Coupons	15 years	9.75	9.68	10.03	10.62 2/1/91	9.14 27/2/92
6	(8%-10¾%)	20 years	9.69	9.63	9.96	10.50 2/1/91	9.11 27/2/92
7	High	5 years	10.29	10.20	10.34	11.25 2/1/91	9.57 27/2/92
8	Coupons	15 years	9.91	9.83	10.21	10.80 2/1/91	9.23 27/2/92
9	(11%-)	20 years	9.81	9.75	10.12	10.67 2/1/91	9.17 27/2/92
10	Irredeemables		9.82	9.77	10.02	10.46 2/1/91	9.28 27/2/92
	Index-Linked						
11	Inflation rate 5%	Up to 5yrs.	3.79	3.77	3.72	4.48 15/7/91	3.52 4/3/92
12	Inflation rate 5%	Over 5 yrs.	4.57	4.55	4.14	4.57 27/3/92	4.09 18/2/91
13	Inflation rate 10%	Up to 5 yrs.	3.09	3.07	2.89	3.60 9/7/91	2.13 21/2/91
14	Inflation rate 10%	Over 5 yrs.	4.38	4.36	3.96	4.38 27/3/92	3.90 12/4/91
15	Debs &	5 years	11.30	11.26	11.85	12.63 9/1/91	10.77 12/2/92
16	Loans	15 years	11.01	10.93	11.65	12.38 18/1/91	10.59 12/2/92
17		25 years	10.83	10.75	11.45	12.16 18/1/91	10.44 27/2/92

♦Opening index 2466.7; 9 am 2459.1; 10 am 2462.7; 11 am 2456.1; Noon 2452.8; 1 pm 2451.1; 2 pm 2449.8; 2.30 pm 2447.4; 3 pm 2443.4; 4.10 pm 2447.2; (a) 8.30am (b) 2.55pm

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1220.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. Tel: 071-925 2323.

LONDON TRADED OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
All'd Lyons (*613)	600	28	42	60	11	28	32
	650	7	21	37	42	55	61
ASDA (*33)	30	5½	7½	10	1½	3½	5½
	34	3	-	-	4	-	-
Brit. Airways (*251)	240	17	27	35	4½	14	18
	260	7½	17	24	14	25	38
SmKl Beecham A (*845)	800	59	85	107	6	22	32
	850	25	55	77	24	43	53
Boots (*423)	420	15	25	35	13	20	25
	460	2	10	21	42	47	49
B.P. (*255)	240	20	25	28	3½	7	11
	260	6½	13	18	13	17	19
British Steel (*69)	60	11	13	14½	1½	3	4½
	70	3½	7	9	4	7	8½
Bass (*524)	525	23	38	53	11	22	27
	550	11	26	41	23	37	40
C & Wire (*530)	500	37	54	66	6	18	24
	550	12	27	41	29	44	48
Courtaulds (*538)	500	46	58	72	3	14	19
	550	12	28	45	18	35	42
Com. Union (*407)	390	25	41	46	4	12	17
	420	7	24	30	18	25	32
Fisons (*336)	330	18	31	42	8½	22	29
	360	7	17	29	26	40	44
GKN (*344)	330	23	36	41	4½	11	18
	360	6	18	25	21	26	33
Grand Met. (*877)	850	43	78	96	11	24	35
	900	16	48	67	35	47	57
I.C.I. (*1240)	1200	67	114	133	11	28	46
	1250	33	82	105	28	48	66
Kingfisher (*479)	460	33	46	56	6	18	26
	500	9	25	37	24	40	46
Ladbroke (*219)	200	20	25	31	6	9	14
	220	6	14	21	14	19	24
Land Secur (*402)	390	19	26	30	4	16	19
	420	4½	18	16	20	37	40
M & S (*289)	280	15	25	30	4½	11	15
	300	5½	13	20	12	21	24
Sainsbury (*389)	360	37	40	50	3	7	12
	390	11	22	33	10	19	23
Shell Trans. (*440)	420	28	43	51	3½	8	13½
	460	5	19	28	23	28	32
Storehouse (*125)	110	11	16	21	3	8½	11
	120	8	11	14	7½	13	16
Trafalgar (*125)	120	9½	15	20	6	14	16
	130	5½	10	16	11	19	18
Utd. Biscuits (*400)	390	37	38	45	6	12	17
	420	4½	18	28	18	28	31
Unilever (*906)	900	39	47	72	23	37	45
	950	5	26	48	62	67	75
Ultramar (*227)	220	10	3	-	98	-	-
	240	4½	1½	-	29	-	-

Option		Calls May	Calls Aug	Calls Nov	Puts May	Puts Aug	Puts Nov
Brit Aero (*297)	280	24	45	52	8	15	24
	300	20	32	40	18	27	35
BAA (*555)	550	30	44	60	15	27	31
	600	9	22	36	47	55	61
BAT Inds. (*666)	650	38	57	67	15	28	37
	700	14	31	40	42	55	62
BTR (*403)	390	27	39	43	8	12	17
	420	9½	21	27	24	27	33
Brit. Telecom (*317)	300	26	32	36	5	10½	12
	330	9	16	20	18	25	27
Cadbury Sch (*435)	420	32	46	57	9	14	20
	460	12	25	36	31	35	39
Eastern Elec (*226)	200	32	36	37	4	8	11
	230	13	-	-	13	-	-
Guinness (*576)	550	37	55	70	13	17	23
	600	13	28	42	41	43	49
GEC (*202)	200	10	13½	17	6	11½	13
	220	3	5½	6½	16½	25	25½
Hanson (*217)	200	22½	26	29	2½	5	7½
	220	9	13	17½	8½	12	15
LASMO (*195)	180	22	29	38	10	15	20
	200	11	20	28	22	27	31
Lucas Inds (*119)	110	13	17	21	4	6½	9½
	120	7½	12	15	9	11	15
P. & O. (*425)	420	19	33	37	27	34	37
	460	7	18	36	57	63	39
Pilkington (*121)	120	9½	13	17	7½	12	14
	130	5½	8½	12	13	18	20
Prudential (*223)	220	10	16	20	11	14	17
	240	4	8	11½	26	27	29
R.T.Z. (*563)	550	36	56	67	14	21	27
	600	12	28	40	42	49	52
Scot. & New (*455)	420	48	56	63	5	13	17
	460	21	31	40	19	30	36
Tesco (*257)	240	20	28	34	5½	8½	11
	260	9	17	23	15	18	20
Thames Water (*346)	330	32	37	45	12	20	22
	360	15	22	29	26	38	39
Vodafone (*332)	330	20	29	40	11½	19	23
	360	7	16	27	31	37	39

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
Abbey Nat. (*268)	260	22	27	35	6½	10	13
	280	11	17	24	17	19	22
Amstrad (*31)	30	6	7½	9	4½	5½	7
	35	3½	5½	7	7½	8½	9½
Barclays (*321)	300	36	41	46	5	10	12
	330	16	23	29	17	18	26
Blue Circle (*254)	240	22	29	35	11	16	18
	260	11	19	26	22	26	29
British Gas (*250)	240	16	23	26	8½	11	16
	260	7½	13	15½	21	22	26
Dixons (*216)	200	28	32	38	5½	11	14
	220	16	20	28	16	20	24
Eurotunnel (*436)	420	53	70	90	23	32	37
	460	33	50	67	45	52	60
Glaxo (*783)	750	78	102	120	28	45	53
	800	50	73	95	52	68	77
Hillsdown (*170)	160	17	19	24	6	9	11
	180	5	9½	15	19	21	22
Lonrho (*86)	80	17	22	25	8	11	15
	90	12	17	22	13	17	20
Midland Bk (*349)	330	36	41	47	10	14	15
	360	17	23	29	23	29	31
National Power (*196)	180	26	29	31	6	9½	12
	205	12	16	-	17	21	-
Reuters (*1122)	1100	85	113	147	44	53	62
	1150	60	87	120	67	77	85
R Royce (*155)	140	21½	26	28½	4½	5½	7½
	160	8½	12	17	11½	13½	16½
Scottish Power (*93)	90	9	11	12	4½	9	10
	100	4½	5	7½	10	16	17
Sears (*97)	90	11	12	13	5	6½	8
	100	5	7	9	10	13	14
Forte (*235)	220	21	25	30	7	11	13
	240	9	15	20	18	20	22
Thorn EMI (*730)	700	90	134	75	20	27	32
	750	50	102	49	35	45	58
TSB (*128)	130	8	11	14	7	10	12
	140	4½	7	10	14	16	18
Vaal Reefs (*$54)	45	13	18	14	1	2½	4
	50	8½	9½	11	3	4½	5½
Wellcome (*1017)	1000	80	115	142	50	64	75
	1050	55	89	118	77	89	105

EURO FT-SE INDEX (*)

	2325	2375	2425	2475	2525	2575	2625	2675
CALLS								
Mar	121	72	27	2½	1	½	½	½
Apr	161	123	92	66	44	28	18	11
May	184	-	115	-	63	-	32	-
Jun	201	-	133	-	80	-	45	-
Sep	242	-	175	-	120	-	72	-
Dec	275	-	210	-	155	-	110	-
PUTS								
Mar	1	1½	0	35	81	131	181	231
Apr	30	43	61	84	112	147	186	227
May	42	-	73	-	121	-	185	-
Jun	46	-	75	-	120	-	180	-
Sep	60	-	88	-	130	-	185	-
Dec	70	-	100	-	135	-	185	-

FT-SE EUROTRACK 100 INDEX (*N/A)

	-	-	-	-	-	-	-	-
CALLS								
Mar	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
PUTS								
Mar	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-

FT-SE INDEX (*)

	2300	2350	2400	2450	2500	2550	2600	2650
CALLS								
Mar	148	98	48	9½	1	½	½	½
Apr	184	145	108	78	55	34	23	14
May	202	165	130	100	73	53	38	25
Jun	220	183	148	118	92	70	50	35
Dec †	290	-	230	-	174	-	120	-
PUTS								
Mar	½	1	3	18	57	107	157	207
Apr	25	37	52	73	100	136	175	220
May	35	46	62	85	109	141	178	218
Jun	43	55	69	93	115	145	180	220
Dec †	80	-	105	-	150	-	208	-

March 27 Total Contracts 22,921
Calls 11,861 Puts 11,060
FT-SE Index Calls 3,034 Puts 3,927
Euro FT-SE Calls 1,907 Puts 803
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months.
Premiums shown are based on middle prices.

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Charter Cons.	37	Ladbroke	17	Sears	8	**■ OILS**	
Allied-Lyons	49	Comm Union	32	Legal & Gen	27	SmKl Bchm A	65	Aviva Pet	30
Amstrad	8½	Courtaulds	38	Lex Service	16	TI	48	BP	21
Astec (BSR)	3	Eurotunnel	34	Lloyds Bank	28	TSB	9½	Burmah Castrol	38
BAT Inds	60	FKI	5½	Lonhro	15	Tesco	18	Conroy Pet	8
BOC	48	FNFC	8	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
BTR	32	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Barclays	30	GKN	28	Midland Bank	19	Unilever	70	Shell	33
Blue Circle	20	Gen Accident	31	NatWest Bank	28	Vickers	12	Tuskar Res	½
Boots	33	GEC	15	P & O Dfd	30	Wellcome	72	**■ MINES**	
Bowater	58	Glaxo	58	Racal Elect	5	**■ PROPERTY**		RTZ	42
Brit Aerospace	30	Grand Met	70	RHM	16	Brit Land	16		
British Steel	6	GRE	18	Rank Org	58	Land Sec.	32		
Brit Telecom	24	Hanson	16	Ratners	3	MEPC	26		
Cadburys	35	ICI	90	Reed Intl	38	Mountleigh	1½		

INTERNATIONAL COMPANIES AND FINANCE

Chrysler halves Mitsubishi stake

By Robert Thomson in Tokyo

CHRYSLER'S sale of just under half its 10.99 per cent stake in Mitsubishi Motors was privately welcomed yesterday by the Japanese car maker, whose executives have been angered by Chrysler's demands for limits on the sale of Japanese-badged vehicles in the US.

The US maker sold 43.6m shares for Y27.5bn ($205m), leaving it with 5.88 per cent of Mitsubishi Motors, whose share price has been under pressure in expectation that the financially stretched Chrysler would off-load part of its stake.

Officially, Mitsubishi said the two companies would maintain a "strong and co-operative relationship", but unofficially, the Japanese company was delighted to see Chrysler slip to third in its shareholder rankings, behind Mitsubishi Heavy Industries (MHI) and Mitsubishi Corporation, the core company of the group.

Chrysler invested in Mitsubishi Motors in 1971, and the company was run for 15 years as a joint venture between the US maker and MHI. In 1985, when Mitsubishi Motors was listed, Chrysler had a 24 per cent stake, which was reduced to 10.99 per cent in September 1989.

Last October, Chrysler sold to Mitsubishi its 50 per cent stake in Diamond Star Motors, the companies' production joint venture in the US, raising $100m. That venture was formed in 1985, but Chrysler's investment could not keep pace with Mitsubishi's ambitious expansion plans.

Of the 43.6m shares, about 33.6m were sold in Tokyo, and apparently most were taken by Mitsubishi group members and life insurance companies. The remaining shares were sold in Europe to a range of investors.

Relations between US and Japanese car makers have become particularly prickly in recent months, with President George Bush accompanied on a Tokyo visit by US car company executives, who mocked a planned reduction in Japan's self-imposed ceiling on car exports to the US.

Mitsubishi executives have been openly critical of Mr Lee Iacocca, the Chrysler chairman, who has demanded limits on Japanese vehicle sales in the US.

Publicly, Mitsubishi executives have said that Mr Iacocca's comments are "disappointing" and, privately, they have used far stronger terms.

Mitsubishi yesterday said it "understands" that the share sale is "aimed to strengthen Chrysler's financial position", and that the move "will not affect" their business relationship. However, the sale is another sign of the weakening links between the two.

Benetton advances 23.6% to L164.8bn

By Haig Simonian in Milan

BENETTON, the leading Italian casual clothing concern, raised net group profits by 23.6 per cent to L164.8bn ($131.8m) last year, thanks to higher sales and improved financial management.

Group turnover rose by almost 12 per cent to L2,303bn despite increasingly difficult market conditions. Benetton sold 83m items last year through a chain of over 6,500 shops in 100 countries.

The rise in earnings has prompted a L50 increase in the dividend to L300 a share, a decision which will be welcomed in financial markets.

In 1991, Benetton surprised analysts by slashing its dividend by half to L250 in a drive to reinforce self-financing at a time of strong growth.

The effect of tougher financial controls and a lower payout to shareholders was evident in the group's balance sheet, with net debt falling to L171bn at the end of 1991 from L233bn in 1990. The burden of net interest costs fell to 1.8 per cent of sales, from 2.2 per cent in 1990.

Benetton drew attention to its controversial advertising campaign, dedicated "to universal themes of a social character", which it said had helped to reinforce a homogeneous international image for the group. Spending on advertising and sponsorship amounted to L108.2bn last year.

Sales of its Sisley brand rose particularly strongly, with a 34 per cent increase.

SocGen to leave central Paris

By William Dawkins in Paris

SOCIETE Générale, the French commercial bank, is to move out of its prestigious central Paris office and into a new FFr5bn ($883.3m) headquarters, in the city's largest property transaction.

The spectacular deal gives a lift to the flagging property market in La Défense, the modern business district on Paris' western boundary.

Société Générale is the latest of several large companies with plans to move out of central Paris to seek cheaper and roomier offices in and around La Défense, but activity has slowed sharply over the past 18 months.

Société Générale's new headquarters, to house 5,400 staff from early 1995, will be two 38-storey tower blocks behind the Grande Arche, the square white marble arch which forms the focal point of La Défense. The move is to take place in three years.

However, the deal casts a shadow over the central Paris property market, through the prospect of the 200,000 square metres to come vacant as Société Générale's central services move out of their 50 offices spread across the city.

The bank will keep a branch in its present headquarters in the Boulevard Haussman, Paris' traditional banking district, but has not yet decided what to do with the rest.

"This will certainly dynamise the market in La Défense, but it will increase stocks in central Paris, even if over a long period," said Mr Philippe Bastien, analyst at James Capel.

Société Générale's central Paris property portfolio was worth between FFr10bn and FFr12bn, he estimated. That is roughly 30 per cent down on its worth 18 months ago when the commercial property market started to go into decline under the twin pressures of high values and oversupply.

Recent transactions are at around FFr60,000 per square metre, against around FFr90,000 in mid-1990, sometimes rising to FFr120,00 for the best locations.

Société Générale could be expected to await an upturn and sell its properties in small amounts so as to avoid weakening the market, said analysts.

Its portfolio is small in relation to the overall stock of potentially vacant property, but it is concentrated in a small central area around the so-called "golden triangle".

The new headquarters is being developed by Sari – a subsidiary of water and services group Compagnie Générale des Eaux – headed by Mr Christian Pellerin. He was recently charged with aiding and abetting financial irregularities in another property transaction at La Défense.

The deal indicates a warming in relations between Société Générale and Mr Pellerin, who supported an abortive attempt to seize control of the bank four years ago.

Apple and Sharp in development link

By Steven Butler in Tokyo and Louise Kehoe in San Francisco

APPLE Computer will join forces with Sharp of Japan to produce the first of a new class of pocket-sized electronic devices. The trans-Pacific partnership gives substance to the much-heralded convergence of the computer and consumer electronics industries, both of which are looking for new sources of growth.

"Strategic partnerships like this one will be the key to business success as the gap between personal computers and consumer electronics products continues to close," said Mr John Sculley, Apple chairman and chief executive.

The two companies have set up product development teams and are aiming to put their first personal electronic devices on the market early next year, with different versions to be sold under both Sharp and Apple brand labels.

Details of the planned product, dubbed as "personal information management", remain a closely guarded secret. However, the device is expected to incorporate an electronic calendar and phone book and be capable of sending and receiving messages.

It will be a hand-held device and will probably incorporate a pen, rather than a keyboard, for entering data. It is expected to sell in the US for less than $1,000.

The joint development effort will combine the strengths of both parties. Sharp is a leader in personal electronics products such as its Wizard electronic organiser. The Japanese company also has expertise in key technologies such as flat panel displays.

Apple is known for its innovative software that makes computer technology easy to use.

Under the agreement signed in Tokyo on Friday by the two companies, Apple will grant Sharp a licence to use new software specifically designed for use in its new family of personal electronics products.

John Sculley: seeking new sources of growth

Terms of the agreement were not revealed, but Sharp is expected to pay royalties to Apple for use of its software.

Apple also plans to license this as-yet unreleased software to other parties. Sony of Japan is said to be another potential Apple licensee.

Apple announced in January that it intended to enter the consumer electronics field with a new class of products that bridge the gap between personal computers and consumer electronics.

These products would essentially be single-function, hand-held computers and could include, for example, electronics books, electronic organisers, multimedia players, electronic note takers, display telephones or personal communicators.

Apple has formed a new business group to pursue the consumer electronics market, separate from its established Macintosh personal computer business.

In addition to the joint development and software licensing pact, Sharp has agreed to distribute Macintosh personal computers in Japan from next month. Apple sales in Japan have been growing rapidly, especially after introduction of its Powerbook notebook computers last year.

Paribas expects loan-loss provisions to remain high

By Alice Rawsthorn in Paris

PARIBAS, a leading French investment banking group, yesterday announced that it expected provisions to remain high this year because of the poor economic outlook in France and the UK.

Paribas was forced last year to make a special provision of FFr2.8bn, mainly due to its exposure on loans made by its Paribas Suisse subsidiary. Most were property loans although it was also exposed to the collapse of Mr Robert Maxwell's media empire.

Mr André Levy-Lang, chairman, yesterday warned that Paribas faces another year of high provisions in 1992.

The group also confirmed an earlier forecast that it had slipped from net profits of FFr2.54bn ($448.7m) in 1990 into a net consolidated loss of FFr184m in 1991.

Meanwhile, the banks within the Paribas group were forced to raise their provisions by 28 per cent to FFr6.3bn because of the adverse environment in France, the UK and, to a lesser extent, the rest of Europe.

"The trend in France during the opening months of 1992 has not been good because of weak demand," said Mr Levy-Lang, emphasising Paribas' concern about the effect of the economic slowdown on small companies.

He added that the situation in the UK, where the Compagnie Bancaire unit is active in the consumer loans and mortgage market, was clouded by recession and uncertainty over the general election.

When Paribas forewarned of the increase in provisions in January, it was placed under surveillance by Moody's and Standard & Poor's, the US credit rating agencies, with a view to downgrading.

Mr Levy-Lang admitted it was possible the group could be downgraded, but said he would not expect it to have a "marked negative effect".

He warned that the banking sector faced fierce competition and pressure on margins, and Paribas planned to counter this by continued cost-cutting and possibly by selling some of its investments in 1992 and 1993.

Sabena clears hurdle in Air France deal

BELGIAN legislators yesterday propelled Sabena, the ailing state airline, further towards its long-awaited partnership with Air France, the French national carrier, when they approved a law transforming the airline into an ordinary company, writes Andrew Hill in Brussels.

Officially, the airline is open to any partnership, but Air France is thought to be the only serious suitor.

The link-up will probably involve Air France injecting some BFr6bn ($175.4m) into Sabena and taking a 37.5 per cent stake, but a formal decision has been delayed since last October.

Hongkong Bank to gain dual listing

By Simon Holberton in Hong Kong

THE Hongkong and Shanghai Bank has reached an agreement with both the Hong Kong and London stock exchanges for it to have a primary listing on the two exchanges in the event that its offer for Midland Bank is successful.

The Hongkong Bank said yesterday that if its offer – due within the next few weeks – was accepted by Midland's shareholders, it would comply with those regulations which impose the higher standard of disclosure, or the more onerous requirements.

The Hong Kong Stock Exchange and the Securities and Exchange Commission, the colony's corporate watchdog, said the move would offer investors in Hong Kong greater protection. They both supported the bank's application.

Mr Herbert Hui, of the Hong Kong exchange's listing division, said the bank's decision would remove doubts about the regulatory authority for HSBC Holdings – the Hongkong Bank's holding company which will own Midland.

The bank said the dual primary listing – which it believes to be unique – would ensure that its shares are traded on both exchanges.

The move was seen, however, as a necessary one if, as expected, the Hongkong Bank's offer for Midland is a straight share swap. The bank would want to offer Midland shareholders equity which was regulated in the same way as that which they were giving up, analysts said.

The Hongkong Bank last week proposed a merger to Midland, bringing to an end more than four years of discussion about a link-up. It is expected to disclose the terms its offer for Midland within the next few weeks.

Hong Kong's listing rules are based on London's and the implications for Hongkong Bank of submitting to UK rules are not great. Differences between the two exchanges' rules are largely those of detail, not thrust or intent.

Some of the main differences relate to the definition of a discloseable transaction, and the interest of directors in a company's shares.

Axel Springer plans to cut staff by 11%

AXEL Springer, the Berlin-based publishing group, is to reduce its workforce by 11 per cent in a programme designed to tighten and improve management controls and reduce costs by 16 per cent, writes Christopher Parkes in Bonn.

The group's workforce of 12,620 would be cut by 1,400 by next year through a combination of early retirement and redundancies, the company said yesterday.

The company, which publishes the Bild mass-circulation paper and the loss-making Die Welt, recently announced it would pay no dividend for 1991, following a two-thirds drop in after-tax profits to DM20m ($12m). All earnings were paid into reserves.

Belgian retailers improve in 1991

By Andrew Hill in Brussels

BELGIUM'S two largest retail groups – Delhaize "Le Lion" and GIB Group – both pushed up profits in 1991, justifying the strong support for their shares on the Brussels market this year.

Delhaize, largest of Belgium's three quoted retailers, announced that net consolidated profits had risen nearly 16 per cent in 1991 to BFr4.37bn ($127.7m), from BFr3.77bn in the previous year.

The company is proposing a 21 per cent increase in the dividend from BFr72 to BFr87 a share, and the directors are also planning a one-off dividend of BFr33 a share to celebrate the company's 125th anniversary.

Turnover at Delhaize, which operates the expanding Food Lion chain of supermarkets in the US, rose more than 16 per cent to BFr310bn, from BFr266bn.

Food Lion itself pushed up sales by 15 per cent and opened a further 103 stores during the year, bringing the total number of US supermarkets to 881 across 12 states.

Meanwhile, GIB indicated it would show an increase in consolidated profit from BFr2.99bn to BFr3.35bn for the 12 months to January 31, 1992.

Turnover rose to BFr217bn, from BFr205bn the previous year, although in the dominant supermarket sector, sales crept up by only 1.5 per cent. Detailed 1991 accounts for the group – which is also active in the do-it-yourself and fast food sectors – will be drawn up by the directors during May.

The group said it would devote BFr6.4bn to modernising its operations in all sectors during 1992 – a 30 per cent increase on the 1991 investment plan.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991/92	Low 1991/92
Gold per troy oz	$341.8	+2.75	$355.85	$403.25	$338.80
Silver Per troy oz	237.40p	-6.13	221.05p	280.55p	183.35p
Aluminium 99.7% (cash)	$1278.5	-19	$1425	$1570	$1082.5
Copper Grade A (cash)	£1275	-27.5	£1404	£1472	£1147.0
Lead (cash)	£303	-4	£347.5	£382.5	£279.00
Nickel (cash)	$7325	-30	$9300	$9237.5	$7090.0
Zinc SHG (cash)	$1254	+32	$1198.5	$1430	$990.25
Tin (cash)	$5725	+100	$5475	$5915	$5425.0
Cocoa Futures (May)	£629	-81	£681	£829	£596
Coffee Futures (Mar)	£481	-26	£620	£620	£458
Sugar (LDP Raw)	$209.1	-3.7	$226.8	$293	$184
Barley Futures (May)	£116.65	-0.50	£119.6	£122.95	£107.75
Wheat Futures (May)	£125.20	-1.8	£135.4	£141.10	£111.80
Cotton Outlook A Index	56.40c	+0.90	82.95c	86.25c	54.40c
Wool (64s Super)	444p	-8	334p	480p	329p
Oil (Brent Blend)	$17.875x	+0.1	$18.175	$29.15	$16.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb. x-May

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.90-5.95z	-.275
Brent Blend (dated)	$17.80-7.85	-.125
Brent Blend (May)	$17.85-7.90	-0.16
W.T.I. (1 pm est)	$19.05-9.15z	-.225
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$198-200	+1
Gas Oil	$161-162	-3
Heavy Fuel Oil	$74-76	
Naphtha	$167-168	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$341.80	+1.1
Silver (per troy oz)♣	413.0c	+2
Platinum (per troy oz)	$350.50	-1.25
Palladium (per troy oz)	$84.80	-0.25
Copper (US Producer)	105.675	+0.19
Lead (US Producer)	37.0c	
Tin (Kuala Lumpur market)	14.25r	+0.05
Tin (New York)	265.50	
Zinc (US Prime Western)	63.0c	
Cattle (live weight)†	109.79p	+1.38*
Sheep (live weight)†♠	95.51p	-5.87*
Pigs (live weight)†	100.55p	+3.57*
London daily sugar (raw)	$209.1v	-1.4
London daily sugar (white)	$270.0v	-0.5
Tate and Lyle export price	£229.0	-0.5
Barley (English feed)	£109.5t	
Maize (US No. 3 yellow)	£148.0	
Wheat (US Dark Northern)	Unq	
Rubber (May)♥	54.75p	
Rubber (Jun)♥	55.00p	
Rubber (KL RSS No 1 Mar)	218.50	
Coconut oil (Philippines)§	$655.0y	+2.5
Palm Oil (Malaysian)§	$297.5z	-5
Copra (Philippines)§	$435.0w	
Soyabeans (US)	£156.0q	
Cotton "A" index	56.40	-0.5
Wooltops (64s Super)	444p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Mar. t-Aug. u-Jan/Mar. v-Apr/Mar. y-Apr/May. w-Apr. z-May. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	187.00	184.00	185.00 183.40
Aug	189.40	186.20	186.40 185.20
Oct	189.00	187.00	187.40 186.00
White	**Close**	**Previous**	**High/Low**
May	269.50	266.50	268.10 265.30
Aug	270.50	266.80	268.40 266.00
Oct	262.50	258.80	259.80 258.50
Dec	263.50	260.20	260.10 258.80

Turnover: Raw 167 (128) lots of 50 tonnes. White 199 (404). Paris- White (FFr per tonne): May 1507.68 Aug 1527.85

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low
May	17.91	17.98	18.06 17.86
Jun	17.95	18.04	18.10 17.90
Jul	17.88	17.96	18.01 17.88
Aug	17.88	17.85	17.97 17.82
Sep	17.87	17.95	17.96 17.87
Oct	17.92	18.00	17.92 17.92
Dec	17.83	17.96	17.88 17.83
IPE Index	18.01	17.88	

Turnover 14000 (18968)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low
Apr	159.75	162.25	162.50 159.75
May	161.50	163.75	164.00 161.50
Jun	162.00	164.75	165.50 162.75
Jul	164.75	166.75	166.50 165.00
Aug	167.50	168.50	168.50 166.50
Sep	169.00	170.00	170.75 169.00
Oct	171.75	172.25	172.25 171.25
Nov	172.50	173.75	173.75 173.00
Dec	174.00	175.00	174.00 174.00

Turnover 9732 (8038) lots of 100 tonnes

SPICES

Sharp decline in clove prices has now stabilised reports Man-producten. Madagascar cloves, shipment Apr/May at US$1,100 a tonne cif, afloat Commores $1,300. Nigerian ginger (depending on quality and packing) between $600 and $750 ex-warehouse Rotterdam, offgrades from $300 to $600. Cochin ginger $1,075 cif Europe. Cassia: no change. Nutmegs/mace: Indonesian market steady, quote abcd $1,750, shrivels $1,435, bwp $800. Grenada no change. Pimento: no change.

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low
Mar	629	641	634
May	646	668	665 644
Jul	671	694	692 670
Sep	695	719	716 694
Dec	729	753	750 728
Mar	763	785	781 762
May	782	806	804 781
Jul	802	824	819
Sep	821	844	839
Dec	846	873	868

Turnover: 3398 (6684) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for Mar 26 619.27 (634.14) 10 day average for Mar.27 632.94 (632.96)

COFFEE – London FOX (£/tonne)

	Close	Previous	High/Low
Mar	840	845	840 825
May	859	889	860 845
Jul	874	870	876 863
Sep	887	886	888 879
Nov	904	902	900 898
Jan	935	920	918 917

Turnover 3078 (11795) lots of 5 tonnes. ICO indicator prices (US cents per pound) for Mar.26: Comp. daily 56.92 (56.73) 15 day average 57.01 (56.85). Sterling close: March £481

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low
Apr	110.0	111.5	110.5 107.5
May	120.5	122.9	122.4 120.0

Turnover 205 (344) lots of 20 tonnes.

SOYAMEAL – London FOX (£/tonne)

	Close	Previous	High/Low
Apr	130.00	124.50	

Turnover 0 (30) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low
Mar	1202	1207	1205 1200
Apr	1242	1254	1245 1235
May	1240	1252	1243 1235
Jul	1105	1110	1105 1100
BFI	1197	1204	

Turnover 275 (235)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low
May	125.20	125.70	125.75 125.20
Jun	126.70	127.25	127.15 126.70
Nov	116.50	116.55	116.65 116.50
Jan	120.30	120.35	120.40 120.25
Barley	**Close**	**Previous**	**High/Low**
May	116.65	116.75	116.75 116.65
Sep	109.75	109.70	109.75 109.70
Nov	113.70		113.70 113.65
Jan	117.20		117.50 117.20

Turnover: Wheat 215 (162), Barley 80 (10). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Mar	124.0	124.0	123.7 123.5
Apr	125.5	125.0	125.4 125.3
May	124.0	123.3	124.0 123.5
Jun	119.8	119.0	119.7 119.4
Jul	113.8	113.5	113.7 113.5
Aug	109.5	109.0	109.5 108.7
Oct	111.5	110.0	110.5 110.0
Nov	110.5	111.0	110.0

Turnover: 162 (98) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 15,469 lots
Cash	1278-79	1284.5-85.5		1280-81		
3 months	1303-04	1310-10.5	1307/1304	1305.5-6.0	1306-6.5	175,106 lots
Copper, Grade A (£ per tonne)						Total daily turnover 19,471 lots
Cash	1274.5-5.5	1287-88	1288	1287-88		
3 months	1302.5-3.0	1314-15	1314.5/1302.5	1313-14	1304-05	111,9[illegible] lots
Lead (£ per tonne)						Total daily turnover 1,699 lots
Cash	302.5-3.5	304-05		303.5-4.00		
3 months	313-14	314.5-6.0	316/313.5	314-4.25	314-15	16,850 lots
Nickel ($ per tonne)						Total daily turnover 3,864 lots
Cash	7320-30	7300-10		7320-25		
3 months	7405-10	7390-95	7430/7390	7395-400	7425/7430	[illegible] lots
Tin ($ per tonne)						Total daily turnover 2,227 lots
Cash	5720-30	5690-700		5705-15		
3 months	5725-30	5710-15	5725/5695	5705-15	5715-20	5,763 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 22,182 lots
Cash	1253-55	1254-56	1245/1244	1343-44		
3 months	1263-64	1263-64	1276/1255	1255-56	1275-76	52,408 lots

LME Closing £/$ rate: SPOT: 1.7355 | 3 months: 1.7119 | 6 months: 1.6897 | 9 months: 1.6651

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	341.60-342.00	
Opening	340.40-340.80	
Morning fix	340.35	197.339
Afternoon fix	340.50	196.537
Day's high	342.10-342.40	
Day's low	340.60-340.90	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	3.53	6 months	3.59
2 months	3.61	12 months	3.81
3 months	3.54		

Silver fix	p/fine oz	US cts equiv
Spot	237.40	409.25
3 months	243.70	413.50
6 months	250.10	418.00
12 months	262.95	429.15

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	340.25-340.75	196.40-196.90
Maple leaf	351.50-352.00	202.75-203.20
New Sovereign	81.60-82.50	47.00-47.50

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jun	May	Jun
1200	98	109	7	8
1300	30	43	38	40
1400	5	11	110	108
Copper (Grade A)	**Calls**		**Puts**	
2150	82	89	5	10
2250	19	29	41	48
2350	3	6	130	124
Coffee	**May**	**Jul**	**May**	**Jul**
800	81	88	2	12
850	22	52	13	28
900	5	30	46	56
Cocoa	**May**	**Jul**	**May**	**Jul**
600	60		78	
650	45	76	113	125
900	34	63	162	162
Brent Crude	**May**	**Jun**	**May**	**Jun**
1800	26		26	49
1850	8	32		
1900	4	20		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Mar	342.4	341.0	0	0
Apr	342.5	341.1	342.8	339.8
May	343.4	342.0	0	0
Jun	344.4	343.0	344.8	341.7
Aug	346.6	345.2	346.7	344.5
Oct	348.8	347.5	348.7	346.7
Dec	351.3	350.0	351.5	349.5
Feb	353.9	352.6	354.0	354.0
Apr	356.5	355.2	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	353.0	352.0	353.5	350.1
Jul	353.7	351.5	354.0	349.5
Oct	358.2	356.0	359.0	356.0
Jan	358.7	356.5	356.0	354.5
Apr	361.2	361.0		

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Mar	413.9	408.9	414.0	408.5
Apr	414.2	409.2	0	0
May	415.5	410.5	417.0	409.0
Jul	418.8	413.8	420.0	412.5
Sep	422.6	417.6	423.5	423.5
Dec	428.4	423.4	430.5	428.0
Jan	430.3	425.3	0	0
Mar	434.8	429.7	435.5	430.5
May	439.5	434.3	0	0
Jul	444.2	439.0	442.0	442.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	101.15	101.45	101.45	101.00
Apr	101.20	101.40	101.40	101.10
May	101.20	101.30	101.40	100.90
Jun	101.05	101.15	0	0
Jul	100.90	100.95	100.35	100.60
Aug	100.80	100.85	0	0
Sep	100.65	100.70	100.75	100.60
Oct	100.50	100.55	0	0
Nov	100.40	100.45	0	0
Dec	100.30	100.35	100.40	100.40

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	8.38	8.25	8.40	8.23
Jul	8.45	8.31	8.46	8.27
Oct	8.50	8.38	8.50	8.37
Mar	8.60	8.56	8.61	8.54
May	8.63	8.59	8.57	8.57
Jul	8.66	8.67	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	19.00	19.28	19.34	19.07
Jun	19.22	19.42	19.46	19.21
Jul	19.35	19.50	19.54	19.32
Aug	19.37	19.51	19.53	19.33
Sep	19.32	19.49	19.52	19.32
Oct	19.32	19.48	19.50	19.30
Nov	19.32	19.47	19.49	19.32
Dec	19.25	19.48	19.47	19.25
Jan	19.24	19.40	19.30	19.24
Feb	19.19	19.35	19.22	19.17

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Apr	5225	5281	5290	5220
May	5195	5252	5260	5190
Jun	5190	5231	5235	5180
Jul	5245	5274	5280	5240
Aug	5320	5362	5365	5300
Sep	5460	5472	5470	5465
Oct	5565	5577	5570	5565
Nov	5660	5672	5670	5655
Dec	5745	5767	5765	5740
Jan	5780	5797	5790	5780

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	996	1036	1002	994
Jul	1036	1076	1068	1031
Sep	1071	1112	1105	1070
Dec	1115	1150	1143	1116
Mar	1159	1194	1186	1159
May	1188	1220	1210	1193
Jul	1218	1249	1238	1223
Sep	1246	1279	1260	1244
Dec	1277	1310	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	70.20	70.75	71.65	70.05
Jul	72.40	72.95	73.60	72.30
Sep	74.25	75.20	75.65	74.15
Dec	77.85	78.45	78.70	77.85
Mar	81.25	82.00	81.75	81.50
May	83.50	85.25	83.75	83.50
Jul	85.50	87.00	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	58.78	57.94	58.80	57.45
Oct	61.00	60.62	61.20	60.60
Dec	61.65	61.20	61.70	61.00
Mar	63.75	62.40	62.80	62.50
May	63.00	63.10	63.60	63.00
Jul	63.75	63.30	63.50	63.50

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	142.75	142.60	143.40	142.30
Jul	141.50	141.15	142.00	140.75
Sep	133.05	132.55	133.75	133.00
Nov	124.25	123.80	124.30	123.70
Jan	123.30	123.00	123.60	122.25
Mar	123.05	122.50	123.00	122.50
May	123.05	122.50	0	0
Jul	123.05	122.50	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Mar.27	Mar.26	mnth ago	yr ago
1608.4	1607.5	1609.2	-

DOW JONES (Base: Dec. 31 1974 = 100)

	Mar.26	Mar.25	mnth ago	yr ago
Spot	118.04	117.51	118.97	123.82
Futures	121.31	121.49	121.69	128.34

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	584/2	586/0	588/0	584/0
Jul	593/0	595/6	597/0	592/4
Aug	598/0	600/0	601/4	597/6
Sep	601/2	603/6	605/6	601/0
Nov	609/6	611/6	613/0	609/4
Jan	618/4	621/0	621/4	618/4
Mar	627/0	629/0	630/0	627/0
May	633/4	636/0	0	0
Jul	640/0	642/0	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	19.75	19.74	19.82	19.68
Jul	20.04	20.03	20.11	19.96
Aug	20.20	20.18	20.25	20.14
Sep	20.36	20.31	20.40	20.28
Oct	20.49	20.45	20.49	20.49
Dec	20.82	20.76	20.87	20.73

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
May	177.8			
Jul	180.6	178.9	178.9	177.6
Aug	182.0	181.2	181.7	180.5
Sep	183.3	182.3	182.9	181.7
Oct	198.1	183.5	184.0	183.0
Dec	199.7	187.3	199.0	197.2
Jan	200.2	199.2	200.8	199.0
Mar	202.0	199.7	200.8	199.3

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	270/0	271/4	271/2	269/2
Jul	275/4	276/6	276/4	274/2
Sep	268/0	270/0	269/4	267/4
Sep	264/0	266/2	266/2	263/4
Dec	271/4	263/2	272/6	271/0
Mar	275/2	277/0	278/0	275/0
May	278/0	280/0	279/0	278/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	384/4	386/2	385/0	383/0
Jul	361/4	363/4	364/0	361/2
Sep	365/6	367/0	367/0	364/4
Dec	375/0	375/0	375/2	373/0
Mar	376/0	378/0	377/4	375/4
May	364/0	384/0	0	0
Jul	342/4	342/0	343/0	342/4
Sep	347/4	350/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	78.100	77.650	78.150	77.500
Jun	74.500	74.200	74.600	74.075
Aug	69.700	69.475	69.900	69.325
Oct	69.875	69.525	70.025	69.450
Dec	70.150	69.775	70.250	69.725
Feb	69.450	69.200	69.750	69.200
Apr	70.500	70.375	70.775	70.350

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	40.825	40.200	40.800	40.050
Jun	45.275	45.175	45.650	45.100
Jul	45.125	45.175	45.300	44.800
Aug	43.650	43.900	43.950	43.600
Oct	41.150	41.175	41.200	40.975
Dec	44.025	44.175	44.175	43.925
Feb	45.000	45.100	45.100	44.850
Apr	42.800	43.100	43.250	42.800

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	36.325	36.750	37.150	36.050
Jul	37.050	37.475	37.725	37.000
Aug	35.650	36.050	36.375	35.575
Feb	47.850	48.175	48.100	47.800
Mar	47.200	47.300	47.300	47.200
May	48.600	48.600	0	0

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar drops in Europe

THE DOLLAR dropped sharply yesterday in European trading and was also suffering in New York at DM 1.6445/52 and Y133.14/19 mid-session in New York, *writes Andrew Jack*.

In low-volume Asian trading, the dollar had weakened slightly against the yen and firmed against the d-mark, with most trading being pre-weekend position adjustments, according to dealers. It closed at Y133.85 and DM 1.6637.

During the day in London it had drifted below DM 1.66 after an early speculative attempt to break DM 1.6620 failed. In the late afternoon in London a single speculator, rumoured to be a south east Asian central bank, sold dollars in a thin market. It closed at DM 1.6440 and Y133.15.

In New York, the release of mixed US economic data appeared to have little effect on the dollar. February personal income rose 1.1 per cent, while spending increased 0.9 per cent, against analysts' prediction of 0.7 per cent and 0.8 per cent. Freddie Mac, the Federal Home Loan Mortgage Corporation, showed that the average interest rate for a 30-year fixed mortgage was 8.98 per cent for the week ended March 27, down from 9.03 per cent last week.

"The dollar is range-trading, trying to see what the lowest levels might be," said Mr Michael Feeny, senior dealer at Sumitomo bank in London. "It started falling before the numbers came out and was more driven by the d-mark/yen. There is just routine dollar trading. It is very, very quiet before the year end."

Mr David Cocker, treasury adviser at Chemical bank in London, said: "The main activity was selling of the dollar out of New York. "It was purely speculative trading in a narrow range and nothing to do with the economy. There was some attempt to up it up yesterday which failed so now they were selling again." "The big thing today was the d-mark/yen. There is still no sign of the long expected Bank of Japan interest rate cut. The Bundesbank is just keeps laying down the law. Its European monetary union conditions are getting stricter and stricter, reflecting the public waking up to the economic realities."

The mark rose to an 11-week high of Y1.235 and 109.69/82 Swiss francs in Frankfurt in afternoon trade. This was partly fuelled by a hawkish speech from Herr Johann Wilhelm Gaddum, a Bundesbank board member, who told an investment conference in Berlin that it would be intolerable if monetary growth exceeded Bundesbank targets. This caused further speculative selling of the dollar.

Sterling gained on the dollar fall, gaining more than one cent to close at $1.7380 against $1.7260 at the start of trade. It dropped 0.19 pfennigs to close at DM 2.8581. The trade index closed up 0.1 and 90.2.

£ IN NEW YORK

Mar 27	Latest	Previous Close
£ Spot	1.7405-1.7415	1.7235-1.7245
1 month	0.90-0.89pm	0.94-0.93pm
3 months	2.73-2.71pm	2.77-2.75pm
12 months	9.20-9.15pm	9.20-9.10pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar 27	Previous
8.30 am	90.1	90.1
9.00 am	90.0	90.1
10.00 am	90.0	90.1
11.00 am	90.0	90.1
Noon	90.0	90.1
1.00 pm	90.1	90.1
2.00 pm	90.1	90.1
3.00 pm	90.1	90.1
4.00 pm	90.2	90.1

CURRENCY MOVEMENTS

Mar 27	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.2	-21.4
U.S Dollar	64.8	-13.1
Canadian Dollar	101.0	-1.2
Austrian Schilling	110.4	+12.3
Belgian Franc	111.7	-1.8
Danish Krone	109.1	+8.0
D-Mark	118.7	+25.0
Swiss Franc	106.1	+13.7
Dutch Guilder	114.7	+16.3
French Franc	105.8	-12.5
Lira	98.6	-20.0
Yen	138.7	+71.5
Peseta	107.2	-18.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Mar.26

CURRENCY RATES

Mar 27	Bank § rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.791032	0.714206
U.S Dollar	3.50	1.36809	1.23236
Canadian $	7.56	1.62789	1.46762
Austrian Sch	7.50	15.9218	14.3743
Belgian Franc	8.50	46.6040	42.0451
Danish Krone	9.50	8.78519	7.92656
D-Mark	8.00	2.26244	2.04264
Dutch Guilder	8.50	2.55093	2.30021
French Franc	10¼	7.67567	6.92775
Italian Lira	12	1707.25	1540.48
Japanese Yen	4.50	182.501	164.829
Norway Krone	-	8.89368	8.01714
Spanish Peseta	-	143.075	129.101
Swedish Krona	10.00	8.21675	7.41315
Swiss Franc	7.00	2.85624	1.86148
Greek Drach	19	262.405	237.070
Irish Punt	-	N/A	0.766681

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Mar.26

OTHER CURRENCIES

Mar 27	£	$
Argentina	1.7165 - 1.7195	0.9925 - 0.9935
Australia	2.2545 - 2.2565	1.3070 - 1.3080
Brazil	3306.95 - 3309.25	1912.10 - 1912.30
Finland	7.7865 - 7.7995	4.5130 - 4.5160
Greece	330.750 - 334.000	191.150 - 191.250
Hong Kong	13.3485 - 13.3615	7.7380 - 7.7400
Iran	2479.00*	1435.50*
Korea(Sth)	1323.30 - 1344.65	769.40 - 778.60
Kuwait	0.51250 - 0.51350	0.29500 - 0.29550
Luxembourg	58.90 - 59.00	33.85 - 33.95
Malaysia	[illegible]	2.5870 - 2.5890
Mexico	5223.10 - 5236.00	[illegible] - 3090.60
N.Zealand	3.1415 - 3.1450	1.8200 - 1.8220
Saudi Ar	6.4415 - 6.4490	3.7495 - 3.7505
Singapore	[illegible]	1.6640 - 1.6660
S.Af (Cm)	4.9795 - 4.9910	2.8885 - 2.8900
S.Af (Fn)	6.1205 - 6.2310	3.5460 - 3.6100
Taiwan	43.85 - 44.05	25.40 - 25.50
U.A.E.	6.3785 - 6.3855	3.6715 - 3.6735

*Floating rate. Iran Official rate £115.30 $67.35

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7385	1.7295	1.7113	1.6859	1.6465
D-mark	2.8575	2.8558	2.8467	2.8441	2.8290
French Fr.	9.6975	9.6700	9.5325	9.4330	9.0395
Swiss Fr.	2.6025	2.5997	2.5917	2.5767	2.5431
Yen	231.50	230.57	228.31	224.86	218.40

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Mar 27	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.101	-3.39	6.08	58
Belgian Franc	42.4032	42.0451	-0.84	3.36	37
Dutch Guilder	2.31643	2.30021	-0.70	3.21	30
D-Mark	2.05586	2.04264	-0.64	3.15	36
Irish Punt	0.767417	0.766681	-0.10	2.58	1
Italian Lira	1538.24	1539.64	0.09	2.39	-8
French Franc	6.89509	6.92775	0.47	2.00	-10
Danish Krone	7.84195	7.92656	1.08	1.39	-35
Sterling	0.696904	0.714206	2.48	0.00	-49

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Mar 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7195 - 1.7395	1.7380 - 1.7390	0.91-0.89cpm	6.21	2.74-2.71pm	6.27
Canada	2.0475 - 2.0700	2.0645 - 2.0655	0.59-0.55cpm	3.31	1.15-1.10pm	2.18
Netherlands	3.2145 - [illegible]	3.2150 - 3.2250	⅜-¼cpm	0.93	⅞-⅝pm	0.93
Belgium	58.70 - 59.00	58.90 - 59.00	5-1cpm	0.61	18-13pm	1.05
Denmark	11.0775 - 11.1175	11.1075 - 11.1175	⅝-⅛orepm	0.47	2⅝-1⅛pm	0.61
Ireland	1.0710 - 1.0810	1.0795 - 1.0805	0.02-0.01cpm	0.17	0.05-0.02pm	0.13
Germany	2.8550 - 2.8600	2.8550 - 2.8600	¼-⅛pfpm	0.79	¾-⅝pm	0.96
Portugal	245.15 - 246.80	245.80 - 246.80	84-99cdis	-4.46	193-214dis	-3.30
Spain	180.50 - 181.10	180.70 - 181.00	26-31cdis	-1.89	70-80dis	-1.66
Italy	2151.00 - 2156.75	2154.25 - 2155.25	2-4liredis	-1.67	6-8dis	-1.30
Norway	11.2075 - 11.2600	11.2475 - 11.2575	⅝-⅛orepm	0.40	1⅜-⅝pm	0.47
France	9.6825 - 9.7100	9.6925 - 9.7025	⅜-⅛cpm	0.31	1⅝-1¼pm	0.62
Sweden	10.3625 - 10.3950	10.3775 - 10.3875	⅛-⅞oredis	-0.79	1¼-2¼dis	-0.67
Japan	230.25 - 232.00	231.00 - 232.00	1⅛-⅞ypm	[illegible]	3⅝-3⅛pm	5.62
Austria	20.07 - 20.14	20.11 - 20.14	2⅛-1½gropm	1.12	7⅛-5⅛pm	1.24
Switzerland	2.5975 - 2.6100	2.5975 - 2.6075	⅜-¼cpm	1.44	1⅛-1⅛pm	1.83
Ecu	1.3950 - [illegible]	1.3970 - 1.3980	0.09-0.04cpm	0.56	0.25-0.14pm	0.56

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.29-5.24pm. 12 Month 9.25-9.15pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Mar 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7195 - 1.7395	1.7380 - 1.7390	0.91-0.89cpm	6.21	2.74-2.71pm	6.27
Ireland†	1.6050 - 1.6280	1.6205 - 1.6215	0.85-0.82cpm	6.18	2.50-2.43pm	6.08
Canada	1.1880 - 1.1920	1.1885 - 1.1895	0.29-0.31cdis	-3.03	0.87-0.91dis	-2.99
Netherlands	1.8475 - 1.8735	1.8515 - 1.8525	0.80-0.83cdis	-5.28	2.49-2.53dis	-5.42
Belgium	33.85 - 34.25	33.85 - 33.95	15.00-16.00cdis	-5.49	45.00-48.00dis	-5.49
Denmark	6.3900 - 6.4550	6.3900 - 6.3950	3.05-3.35oredis	-6.01	9.00-9.60dis	-5.82
Germany	1.6400 - 1.6650	1.6435 - 1.6445	0.75-0.76pfdis	-5.51	2.25-2.27dis	-5.50
Portugal	141.80 - 143.00	141.90 - 142.00	121-127cdis	-10.48	345-358dis	-9.90
Spain	103.75 - 105.10	103.95 - 104.05	69-71cdis	-8.08	212-214dis	-8.19
Italy	1238.00 - 1253.00	1239.25 - 1239.75	7.80-8.30liredis	-7.79	23.70-24.70dis	-7.81
Norway	6.4650 - 6.5395	6.4700 - 6.4750	3.17-3.47oredis	-6.16	9.60-10.10dis	-6.09
France	5.5650 - 5.6425	5.5750 - 5.5800	2.72-2.77cdis	-5.91	8.15-8.25dis	-5.88
Sweden	5.9625 - 6.0350	5.9708 - 5.9758	3.55-3.80oredis	-7.38	10.70-11.15dis	-7.32
Japan	132.90 - 134.00	133.10 - 133.20	0.14-0.15ydis	-1.31	0.24-0.26dis	-0.75
Austria	11.6525 - 11.7050	11.6525 - 11.6575	4.85-5.25grodis	-5.20	14.50-15.70dis	-5.18
Switzerland	1.4925 - 1.5175	1.4970 - 1.4980	0.61-0.64cdis	-5.01	1.72-1.76dis	-4.65
Ecu†	1.2290 - 1.2445	1.2425 - 1.2435	0.60-0.58cpm	5.70	1.81-1.75pm	5.73

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Mar 27	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼ - 10⅛	10¼ - 10⅛	10⅛ - 10⅛	10⅞ - 10⅝	11 - 10⅞	11 - 10⅞
US Dollar	4 - 3⅞	4⅛ - 4⅛	4⅛ - 4⅛	4⅛ - 4⅛	4⅛ - 4⅛	5⅛ - 4⅞
Can. Dollar	6⅞ - 6⅝	7 - 6⅞	7⅛ - 7	7⅛ - 7⅛	7⅞ - 7⅞	8⅛ - 8⅛
Dutch Guilder	9⅞ - 9⅞	9⅞ - 9⅞	9⅞ - 9⅞	9⅞ - 9⅞	9⅞ - 9⅝	9⅞ - 9⅝
Swiss Franc	8 - 7⅞	8⅞ - 8⅞	8⅞ - 8⅞	8⅞ - 8⅞	8⅞ - 8⅞	8⅞ - 8⅛
D-Mark	9⅝ - 9⅝	9⅝ - 9⅝	9⅝ - 9⅝	9⅝ - 9⅝	9⅝ - 9⅝	9⅝ - 9⅝
French Franc	10 - 9⅞	10⅛ - 9⅞	10⅛ - 9⅞	10⅛ - 10⅛	10⅛ - 10⅛	10⅛ - 10⅛
Italian Lira	12 - 10	12⅛ - 11⅞	12⅛ - 11⅞	12⅛ - 11⅞	12⅛ - 11⅞	12⅛ - 11⅞
Belgian Franc	9⅞ - 9⅝	9⅞ - 9⅞	9⅞ - 9⅞	9⅞ - 9⅞	9⅞ - 9⅝	9⅝ - 9⅝
Yen	5⅛ - 5⅛	5⅛ - 5⅛	5⅛ - 5⅛	5⅛ - 5⅛	4⅞ - 4⅞	4⅞ - 4⅝
Danish Krone	9⅞ - 9⅝	9⅞ - 9⅝	10⅛ - 10⅛	10⅛ - 10⅛	10⅛ - 10⅛	10⅛ - 10⅛
Asian $Sing	3⅛ - 3	3⅛ - 3	3⅛ - 3⅛	3⅛ - 3⅛	3⅛ - 3⅛	3⅞ - 3⅝
Spanish Peseta	12⅞ - 12⅛	12⅞ - 12⅛	12⅞ - 12⅛	12⅞ - 12⅛	12⅞ - 12⅛	12⅞ - 12⅛

Long term Eurodollars: two years 6⅛-6⅛ per cent; three years 6⅞-6⅛ per cent; four years 7⅛-7⅛ per cent; five years 7⅞-7⅛ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Mar.27	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	Ecu
£	1	1.738	2.857	231.5	9.697	2.602	3.220	2155	2.065	58.95	1.397
$	0.575	1	1.644	133.2	5.579	1.497	1.853	1240	1.188	33.92	0.804
DM	0.350	0.608	1	81.03	3.394	0.911	1.127	754.3	0.723	20.63	0.489
YEN	4.320	7.508	12.34	1000.	41.89	11.24	13.91	9309	8.920	254.6	6.035
F Fr.	1.031	1.792	2.946	238.7	10.	2.683	3.321	2222	2.130	60.79	1.441
S Fr.	0.384	0.668	1.098	88.97	3.727	1	1.238	828.2	0.794	22.66	0.537
H Fl.	0.311	0.540	0.887	71.89	3.011	0.808	1	669.3	0.641	18.31	0.434
Lira	0.464	0.806	1.326	107.4	4.500	1.207	1.494	1000.	0.958	27.35	0.648
C$	0.484	0.842	1.384	112.1	4.696	1.260	1.559	1044	1	28.55	0.677
B Fr.	1.696	2.948	4.846	392.7	16.45	4.414	5.462	3656	3.503	100.	2.370
Ecu	0.716	1.244	2.045	165.7	6.941	1.863	2.305	1543	1.478	42.20	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
90	4-01	4-33	0-19	0-33
91	3-11	3-46	0-29	0-46
92	2-26	3-01	0-44	1-01
93	1-47	2-25	1-01	1-25
94	1-12	[illegible]	1-30	1-54
95	0-49	1-26	2-03	2-26
96	0-31	1-03	2-49	3-03
97	0-18	0-49	3-36	3-49

Estimated volume total, Calls 3063 Puts 3990
Previous day's open int. Calls 59511 Puts 56675

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
95	3-61	3-58	0-21	1-18
96	3-09	3-18	0-33	1-42
97	2-26	2-46	0-50	2-06
98	1-48	2-14	1-08	2-38
99	1-14	[illegible]	1-38	3-11
100	0-52	1-27	2-12	3-51
101	0-34	1-08	2-58	4-32
102	0-21	0-55	3-45	5-15

Estimated volume total, Calls 640 Puts 11
Previous day's open int. Calls 1793 Puts 1010

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8550	1.70	2.34	0.09	0.21
8600	1.27	1.93	0.16	0.30
8650	0.89	1.56	0.28	0.43
8700	0.58	1.25	0.47	0.63
8750	0.36	0.95	0.75	0.82
8800	0.21	0.71	1.10	1.08
8850	0.12	0.52	1.51	1.39
8900	0.07	0.38	1.96	1.75

Estimated volume total, Calls 3606 Puts 4034
Previous day's open int. Calls 111187 Puts 66506

LIFFE EUROMARK OPTIONS
DM1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8950	0.86	1.10	0	0.02
8975	0.62	0.86	0.01	0.03
9000	0.39	0.65	0.03	0.07
9025	0.21	0.46	0.10	0.13
9050	0.09	0.29	0.23	0.21
9075	0.04	0.17	0.43	0.34
9100	0.02	0.10	0.66	0.52
9125	0.01	0.06	0.90	0.73

Estimated volume total, Calls 1025 Puts 1639
Previous day's open int. Calls 75678 Puts 41440

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS Lire 200m 100ths of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9600	1.94		0.11	
9650	1.52	1.95	0.19	0.47
9700	1.13	1.61	0.30	0.63
9750	0.80	1.30	0.47	0.82
9800	0.54	1.02	0.71	1.04
9850	0.35	0.79	1.02	1.31
9900	0.22	0.62	1.39	1.64
9950	0.13	0.46	1.80	1.98

Estimated volume total, Calls 562 Puts 1649
Previous day's open int. Calls 8398 Puts 7902

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
8800	1.10	1.43	0.12	0.15
8825	0.90	1.25	0.17	0.20
8850	0.71	1.08	0.23	0.26
8875	0.54	0.86	0.31	0.33
8900	0.40	0.70	0.42	0.42
8925	0.28	0.56	0.55	0.53
8950	0.19	0.44	0.71	0.66
8975	0.13	0.35	0.90	0.80

Estimated volume total, Calls 2297 Puts 3224
Previous day's open int. Calls 66719 Puts 44691

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev
Mar	93-20			93-31
Jun	93-23	94-04	93-17	94-10

Estimated volume 38776 (34326)
Previous day's open int. 53641 (53199)

US TREASURY BONDS 8% *
$100,000 32nds of 100%

	Close	High	Low	Prev
Jun	98-20	98-22	98-03	98-14
Sep	97-20			97-14

Estimated volume 2269 (2391)
Previous day's open int. 3833 (3594)

6% NOTIONAL GERMAN GOVT. BOND *
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Jun	87.11	87.27	86.92	87.23
Sep	87.63			87.75

Estimated volume 72852 (48556)
Previous day's open int. 116356 (117385)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev
Jun	103.10	103.12	103.06	
Sep	102.86			

Estimated volume 382 (436)
Traded exclusively on APT

9% NOTIONAL ECU BOND
ECU 200,000 100ths of 100%

	Close	High	Low	Prev.
Jun	100.76	101.08	100.63	101.10
N				
A				

Estimated volume 83 (0)
Previous day's open int. 104 (104)

12% NOTIONAL ITALIAN GOVT. BOND (BTP) *
LIRA 200m 100ths of 100%

	Close	High	Low	Prev
Jun	97.83	98.24	97.77	98.24
Sep	97.98	98.09	98.08	98.34

Estimated volume 19461 (14097)
Previous day's open int. 36722 (33659)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev
Jun	88.98	89.11	88.96	89.08
Sep	89.28	89.39	89.25	89.34
Dec	89.49	89.59	89.48	89.56
Mar	89.74	89.85	89.74	89.83
Jun	89.98	90.05	89.96	90.04
Sep	90.16	90.23	90.16	90.23

Est. Vol. (inc. figs. not shown) 46153 (31871)
Previous day's open int. 183827 (185079)

THREE MONTH EURODOLLAR *
$1m points of 100%

	Close	High	Low	Prev.
Jun	95.40	95.40	95.35	95.39
Sep	94.95	94.95	94.89	94.97
Dec	94.15	94.15	94.13	94.17
Mar	93.90	93.89	93.86	93.89

Est. Vol. (inc. figs. not shown) 4827 (3855)
Previous day's open int. 35015 (36181)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev.
Jun	90.36	90.41	90.32	90.40
Sep	90.58	90.63	90.56	90.64
Dec	90.77	90.83	90.74	90.85
Mar	91.14	91.16	91.09	91.20
Jun	91.41	91.45	91.38	91.48
Sep	91.67	91.70	91.64	91.74

Estimated volume 34705 (27307)
Previous day's open int. 219407 (220135)

THREE MONTH ECU
ECU 1m points of 100%

	Close	High	Low	Prev.
Jun	89.86	89.86	89.80	89.88
Sep	90.16	90.15	90.14	90.19
Dec	90.35	90.36	90.34	90.37
Mar	90.65	90.65	90.62	90.67

Estimated volume 1348 (481)
Previous day's open int. 5701 (5606)

THREE MONTH EURO SWISS FRANC
SFR 1m points of 100%

	Close	High	Low	Prev.
Jun	91.71	91.73	91.65	91.76
Sep	92.21	92.23	92.16	92.25
Dec	92.42	92.41	92.36	92.45
Mar	92.65	92.70	92.69	92.72

Estimated volume 8141 (7910)
Previous day's open int. 37061 (36276)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Mar	2444.0	2462.0	2436.0	2467.0
Jun	2480.0	2499.0	2473.0	2504.5
Sep	2517.0	2530.0	2504.0	2540.5

Estimated volume 16933 (11610)
Previous day's open int. 41106 (41550)

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev.
Jun	1153.0			1159.0
N				
A				

Estimated volume 0 (0)
Previous day's open int. 18 (18)

* Contracts traded on APT. Closing prices shown.

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
Jun	98-13	98-14	98-08	98-14
Sep	97-13	97-13	97-09	97-14
Dec	96-14	96-14	96-13	96-16
Mar	95-21	-	-	95-21
Jun	94-29	-	-	94-29
Sep	94-06	-	-	94-06
Dec	93-17	-	-	93-17
Mar	92-30	-	-	92-30
Jun	92-13	-	-	92-13
Sep	91-29	-	-	91-29

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Jun	95.78	95.78	95.77	95.78
Sep	95.47	-	95.46	95.47
Dec	94.86	94.86	94.84	94.85
Mar	94.66	-	-	94.66

BRITISH POUND (IMM)
$s per £

	Latest	High	Low	Prev
Jun	1.7024	1.7034	1.7014	1.6998
Sep	1.6770	1.6770	-	1.6742
Dec	1.6550	1.6550	-	1.6520

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev
Jun	0.6554	0.6558	0.6548	0.6530
Sep	0.6490	0.6495	-	0.6469
Dec	0.6424	-	-	0.6424

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev
Jun	0.7466	0.7466	0.7462	0.7441
Sep	0.7464	0.7465	0.7464	0.7441
Dec	0.7475	0.7475	-	0.7449
Mar	0.7474	-	-	0.7474

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev
Jun	0.5967	0.5969	0.5960	0.5945
Sep	0.5892	0.5892	0.5892	0.5872
Dec	0.5810	-	-	0.5810
Mar	0.5762	-	-	0.5762
Jun	0.5740	-	-	0.5740

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Jun	95.38	95.38	95.36	95.37
Sep	94.93	94.95	94.91	94.94
Dec	94.15	94.15	94.13	94.15
Mar	93.90	93.92	93.87	93.89
Jun	93.40	93.40	93.37	93.39
Sep	92.91	92.91	92.89	92.92
Dec	92.37	92.38	92.36	92.38
Mar	92.30	92.31	92.30	92.32

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev
Jun	407.55	408.30	406.70	408.80
Sep	409.00	409.75	408.40	410.40
Dec	410.40	410.75	410.40	412.30
Mar	413.10	-	413.10	414.70

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Apr	Calls May	Calls Jun	Calls Sep	Puts Apr	Puts May	Puts Jun	Puts Sep
1.675	4.89	5.33	5.66	6.38	0.36	1.59	2.57	5.43
1.700	2.78	3.62	4.07	5.01	0.78	2.54	3.67	6.80
1.725	1.35	2.38	2.86	3.87	1.83	3.80	5.08	8.34
1.750	0.56	1.51	1.96	2.95	3.46	5.45	6.74	9.98
1.775	0.14	0.88	1.34	1.26	5.59	7.34	8.54	11.81
1.800	0.04	0.47	0.85	1.72	7.88	9.38	10.86	13.75
1.825	-	0.31	0.51	1.26	10.27	11.63	13.72	15.80

Previous day's open int. Calls N/A Puts N/A (All currencies)
Previous day's volume: Calls N/A Puts N/A (All currencies)

PARIS

7 TO 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
June	107.62	107.14	-0.48	107.64	107.12	8.82	126,923
September	107.84	107.38	-0.46	107.84	107.36	8.79	6,589
December	108.00	107.56	-0.44	108.00	107.66	8.77	106

Estimated volume 101,181 Total Open Interest 133,678

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Sett price	Change	High	Low	Yield	Open int.
June	90.06	89.98	-0.06	90.07	89.97	9.94	25,410
September	90.36	90.25	-0.10	90.37	90.34	9.65	16,106
December	90.58	90.49	-0.08	90.58	90.49	9.43	5,963
March	90.75	90.71	-0.10	90.78	90.70	9.19	1,965

Estimated volume 15,160 Total Open Interest 51,868

CAC-40 FUTURES (MATIF) Stock Index

	Open	Sett price	Change	High	Low	Yield	Open int.
March	1926.0	1918.5	-13.5	1933.0	1912.0	-	8,284
April	1942.0	1933.5	-13.5	1947.0	1927.0	-	12,298
May	1945.0	1947.5	-14.0	1953.5	1945.0	-	686
June	1946.0	1939.0	-14.0	1946.0	1943.5	-	7,901

Estimated volume 14,010 Total Open Interest 29,169

ECU BOND (MATIF)

	Open	Sett price	Change	High	Low	Yield	Open int.
June	106.72	106.20	-0.50	106.74	106.16	8.96	15,449
September	-	106.22	-0.50	-	-	8.95	25

Estimated volume 6,840 Total Open Interest 15,474

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
104	-	-	-	0.05	-	-
105	-	-	-	0.10	-	-
106	1.43	-	-	0.21	0.58	-
107	1.00	-	-	0.47	-	-
108	0.50	1.04	1.45	0.95	-	1.55
109	0.20	0.67	-	1.72	-	-
110	0.08	0.39	-	2.55	-	-
Open int.	113,803	28,258	1,010	97,601	11,813	950

Estimated volume 27,992 Total Open interest 253,435

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7385	1.7295	1.7113	1.6859	1.6465

MONEY MARKETS

Longer rates firm

LONGER RATES firmed yesterday as the market digested the latest opinion poll in the morning suggesting a strong swing to Labour in London's marginal seats, *writes Andrew Jack*.

Early activity in most dates from one month to one year trickled away in morning trading, while the Bank of England kept rates on shorter money down, calming the volatility generated by continuing political uncertainty.

Overnight rates fell below 10 per cent during the day before settling back to close at 10¼-10⅛ per cent.

UK clearing bank base lending rate
10½ per cent
from September 4, 1991

Three month money eased on the opinion polls, closing at 10⅞-10¾ per cent down ⅛ per cent on the previous day.

One year money rose to 11⅛-10⅞ per cent by the end of trading, compared with 11-10⅞ per cent on Thursday.

The June sterling contract continued its fall, closing at 88.98 against Thursday's close of 89.08. It opened up at 89.11, and rose as high as 89.11.

At one point it dropped to 88.96, which dealers said was partly explained by the opinion poll released during the day. The volume was the highest for several days at 29,833.

The Bank of England forecast a shortage of around £850m in the morning, driven by £600m from a rise in note circulation, £573m in treasury bills and maturing assistance, £205m in bankers balances below target and £180m in bills for repurchase by the market, offset by £685m of exchequer transactions.

The Bank of England purchased bills totalling £745m in early operations, including £395m outright. It bought £15m in band-1 treasury bills at 10⅜ per cent, and £267m bills in band-2 at £113m at 10⅜ per cent as well as £350m for re-sale to the market on April 7 at 10⅛ per cent.

At midday it revised its forecast to a shortage of around £1bn before taking account of early operations. It purchased a further £248m in the market. These comprised £98m band-1 treasury bills at 10⅜ per cent and £150m bills at 10⅜ per cent.

In the afternoon, the Bank of England revised its forecast up further to £1.1bn. It bought £126m band-1 bills at 10⅜ per cent. There was no late assistance.

"The Bank of England has been providing assistance and will continue to do so all the way to the election," said Mr David Cocker of Chemical Bank.

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar.27) 3 months US dollars		6 months US Dollars	
bid 4⅛	offer 4⅛	bid 4⅞	offer 4⅞

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime

Prime rate	6½
Broker loan rate	6
Fed.funds	3⅞
Fed.funds at intervention	

Treasury Bills and Bonds

One month	3.85	Three year	6.21
Two month	4.02	Five year	7.02
Three month	4.10	Seven year	7.29
Six month	4.29	10-year	7.57
One year	4.56	30-year	7.99
Two year	5.73		

Mar 27	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.55-9.65	9.65-9.75	9.65-9.75	9.65-9.75	9.65-9.75	9.75
Paris	9⅞-9⅞	9⅞-10	9⅞-10	9⅞-10⅛	9⅞-9⅞	9.60
Zurich	7⅞-8⅛	8⅛-8⅞	-	8⅛-8⅞	-	-
Amsterdam	9.18-9.31	9.50-9.58	-	9.52-9.60	-	-
Tokyo	5⅛-5⅛	5⅛-5⅛	-	5⅛-5⅛	-	-
Milan	12-12⅛	12⅛-12⅛	-	12⅛-12⅛	-	-
Brussels	9⅞-9⅞	9⅞-9⅞	-	9⅞-9⅞	-	-
Dublin	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	-

LONDON MONEY RATES

Mar 27	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	10⅛	10⅛	10⅝	10⅞	11	11⅛
Interbank Bid	6	9⅞	10½	10⅝	10⅞	10⅞
Sterling CDs	-	-	10½	10⅝	10⅞	10⅞
Local Authority Deps.	10⅛	10⅛	10⅝	10⅞	10⅞	10⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	9⅞	9⅞	-	-	-	-
Company Deposits	-	-	10⅝	10⅝	10⅞	10⅞
Finance House Deposits	-	-	10⅝	10⅝	10⅞	10⅞
Treasury Bills (Buy)	-	-	10⅛	10⅛	10⅛	-
Bank Bills (Buy)	-	-	10⅛	10⅛	10⅛	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	4.25	4.28	4.48	5.03
SDR Linked Dep. Offer	-	-	6⅞	6⅞	6⅞	6⅞
SDR Linked Dep. Bid	-	-	6⅛	6⅛	6⅛	6½
ECU Linked Dep. Offer	-	-	10⅛	10⅛	10⅛	10⅛
ECU Linked Dep. Bid	-	-	10	10⅛	10⅛	10⅛

Treasury Bills (sell): one-month 10 per cent; three months 10⅛ per cent; six months 10 per cent; Bank Bills (sell): one-month 10⅛ per cent; three months 10⅛ per cent; Treasury Bills; Average tender rate of discount 10.2134 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day February 28, 1992. Agreed rates for period Mar 25, 1992 to April 25, 1992, Scheme I: 11.67 p.c., Schemes II & III: 11.64 p.c. Reference rate for period Feb 1, 1992 to February 28, 1992, Scheme IV&V: 10.433 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from March 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

BANK RETURN

BANKING DEPARTMENT	Wednesday March 25, 1992	Increase or decrease for week	
LIABILITIES	£		£
Capital	14,553,000		
Public Deposits	108,073,268	-	20,238,289
Bankers Deposits	1,544,995,694	-	25,218,053
Reserve and other Accounts	3,519,294,826	-	5,481,652
	5,186,916,787	-	50,938,594
ASSETS			
Government Securities	1,317,621,175	-	15,055,000
Advance and other Accounts	2,168,906,424	+	38,850,496
Premises Equipment & other Secs	1,694,246,834	-	72,237,100
Notes	5,751,893	-	2,491,725
Coin	190,461	-	15,265
	5,186,916,787	-	50,938,594
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	15,534,248,107	+	22,491,725
Notes in Banking Department	5,751,893	-	2,491,725
	15,540,000,000	+	20,000,000
ASSETS			
Government Debt	11,015,100		
Other Government Securities	10,042,096,300	+	826,216,016
Other Securities	5,486,888,600	-	806,216,016
	15,540,000,000	+	20,000,000

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc	14	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	● Robert Fleming & Co	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs	11	● Smith & Williamson Secs	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co	10.5	Westpac Bank Corp	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julian Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association

MONEY MARKET FUNDS

Money Market Trust Funds

Gross / Net / Gross CAR / Int Cr

CAF Money Management Co Ltd
48 Pembury Road, Tonbridge TN9 2JD 0732 770114
Gateway Deposit Fund 10.30 - 10.71 3-Mth
Deposits Over £1 million 10.40 - 10.81 3-Mth
Deposits Over £2 million 10.50 - 10.92 3-Mth

The COIF Charities Deposit Account
2 Fore Street, London EC2Y 5AQ 071-588 1815
Deposit 10.35 - 10.76 3-Mth

Cent. Bd. of Fin. of Church of England
2 Fore Street, London EC2Y 5AQ 071-588 1815
Deposit 10.40 - 10.81 3-Mth

Gartmore Money Management Ltd
16-18 Monument St, London EC3R 8QQ 071-236 1425
TESSA Dept 071-236 4262
Call Fnd 9.77 7.32 10.00 6-Mth
7-day Fund 9.99 7.49 10.22 6-Mth
Special Fund 9.44 7.08 9.85 3-Mth
Dollar 2.86 2.14 2.89 3-Mth
TESSA Prime 10.00 - 10.38 3-Mth
TESSA Plus 9.80 - 10.17 3-Mth
TESSA Saver 9.65 - 10.00 3-Mth

Money Market Bank Accounts

Gross / Net / Gross CAR / Int Cr

AIB Bank High Interest Cheque Account
Belmont Rd, Uxbridge UB8 1SA 0800 282115
£2,500-£9,999 8.50 6.38 8.77 Qtr
£10,000+ 9.25 6.94 9.57 Qtr

Aitken Hume Bank plc
30 City Road, EC1Y 2AY 071-638 6070
Treasury Acc 9.00 6.75 9.31 Qtr
[illegible]

Allied Trust Bank Ltd
97-101 Cannon St, London, EC4N 5AD 071-626 0879
[illegible]

American Express Bank Ltd
Sussex House, Burgess Hill
West Sussex RH15 9AW 0444 239230
High Performance Cheque Account
[illegible]

Bank of Ireland High Interest Cheque Acc
36-40 High St, Slough SL1 1EL 0753 516516
£10,000+ 8.75 6.562 9.041 Qtr
£2,000-£9,999 8.50 6.375 8.771 Qtr

Bank of Scotland
38 Threadneedle St, EC2P 2EH 071-601 6446
[illegible]

Barclays Select
PO Box 120, Westwood Bs Pk, Coventry 0800 400100
[illegible]

Barclays Prime Account H.I.C.A.
PO Box 125, Northampton 0604 252891
[illegible]

Benchmark Bank PLC Premier Account
86 Newman Street, W1P 3LD 071-631 3313
[illegible]

Brown Shipley & Co Ltd
Founders Court, Lothbury, London EC2 071-606 9833
[illegible]

Caledonian Bank Plc
8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235
HICA 10.00 7.50 - Yearly

Cater Allen Ltd
20 Birchin Lane, London EC3V 9DJ 071-623 2070
[illegible]

Charterhouse Bank Limited
1 Paternoster Row, EC4M 7DH 071-248 4000
[illegible]
Many other currencies are available—for rates please phone ext 2188

Clydesdale Bank PLC
30 St Vincent Place, Glasgow G1 2HL 041 248 7070
£2,000-£24,999 8.25 6.19 8.51 Qtr
£25,000-£99,999 9.00 6.75 9.31 Qtr
£100,000+ 9.50 7.13 9.84 Qtr

Co-operative Bank
PO Box 300, Skelmersdale, Lancs 0800 616162
TESSA 11.50 - - Yearly
[illegible]

Coutts & Co
Reserve Account
440 Strand, London WC2R 0QS 071-753 1000
[illegible]

Darlington & Co Ltd Investment HICA
70 Prince St, Bristol BS1 4QD 0272 213206
[illegible]

Financial & General Bank plc
13 Lowndes Street, London SW1X 9EX 071-235 0036
[illegible]

Gartmore Money Management Ltd
16-18 Monument St London EC3R 8QQ 071-236 1425
HICA £10,000+ 8.75 6.56 9.04 3-Mth

Halifax Bldg Soc Asset Reserve Cheque Acc
Trinity Road, Halifax HX1 2RG 0422 335333
[illegible]

Julian Hodge Bank Ltd
10 Windsor Place Cardiff CF1 3BX 0222 220800
[illegible]

Humberclyde Finance Group
Chatley Ct, Winchester Rd, Basingstoke 0256 841863
£50,000+ 10.5 7.125 - Qtr

Kleinwort Benson Ltd
158 Kentish Town Rd, London NW5 2BT 071 267 1566
H I C A (£2,500+) 9.50 7.125 9.93 Daily

Lloyds Bank – Investment Account
71 Lombard St, London EC3P 3BS 0272 433372
[illegible]

Midland Bank plc
PO Box 2 Sheffield 0742 529394
[illegible]

NatWest Crown Reserve Account
41 Lothbury London EC2P 2BP 071-374 3374
[illegible]

Provincial Bank PLC
30 Ashley Rd, Altrincham, Cheshire 061-928 9011
H I C A (£1,000+) 8.75 6.56 9.11 Mth

Royal Bank of Scotland plc Premium Acc
42 St Andrew Sq, Edinburgh EH2 2YE 031-229 5650
[illegible]

Save & Prosper/Robert Fleming
16-22 Western Rd, Romford RM1 3LB 0800 282101
[illegible]

Sterling Bank & Trust Ltd
Abbey Gdns, 6 Abbey St, Reading RG1 3BA 0734 592543
HIDA £2,500+ 10.50 7.88 10.78 6-Mth

Tyndall & Co Ltd
29-33 Princess Victoria St, Bristol 0272 744720
[illegible]

United Dominions Trust Ltd
PO Box 135, Abbey St, Reading RG1 3ES 0734 580411
Capital Plus Cheque Account
£1,000+ 9.90 7.43 10.27 Qtr

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, London EC2V 6DS 071-382 6000
[illegible]

Western Trust High Interest Cheque Acc
The Moneycentre, Plymouth PL1 1SE 0752 224141
£15,000+ 10.00 7.50 10.38 Qtr
£5,000-£14,999 9.75 7.31 10.11 Qtr
£1,000-£4,999 9.50 7.13 9.84 Qtr

Wimbledon & South West Finance PLC
114 Newgate St, London EC1 7AE 071-606 9485
High Int Cheque Acc 10.60 7.95 11.03 Qtr

NOTES – Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. Compounded Annual Rate. Int Cr: Frequency at which interest is credited to the account.

EDUCATION

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities *not included* in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in *order of execution but* in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ◆ Bargains done the previous day.

British Funds, etc

No. of bargains included 2606

Exchequer 10½% Stk 2005 – £105⅝
Guaranteed Export Finance Corp PLC 11¼% Gtd Nts 1994 (Br – £101½ ⅛ (25Mr92)
12¾% Gtd Ln Stk 2002(Reg) – £115 ⅛

Corporation and County Stocks

No. of bargains included 1

Manchester Corp 1891 3% Red Stk

UK Public Boards

Foreign Stocks, Bonds, etc-(coupons payable in London)

Sterling Issues by Overseas Borrowers

Listed Companies(excluding Investment Trusts)

Investment Trusts

Miscellaneous Warrants

USM Appendix

Rule 535(2)

Winchmore PLC Ord 25p – £0.4025 0.405 (24Mr92)
Wynnstay Properties PLC 25p – £0.65 (23Mr92)

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Aust. Development A$2.824 (20/3)
Buttes Gas & Oil $0 064 (25/3)
Dainippon Screen Manufacturing Y872.63
Davidson Tisdale Mines 15.0 (24/3)
Forest Laboratories $33.625 (24/3)
Harland (John H) Co $23 44◆ (25/3)
Idaho Power Co $24 5◆ (23/3)
Killinghall Tin (Malaysia) Berhad Ord Rm1.393 (24/3)
Malaysian Plantations 8.0 (23/3)
McCarthy Group 70.0 (23/3)
Mogul Mining A$0 06, 0 09 (23/3)
National Electronics Holdings 2.5 (20/3)
Oil Search A$0.69 (25/3)
Playmates Hldgs HK$4 919 (20/3)
Regal Hotels (Hldgs) 0 75 (25/3)
Regent Mining 1.5
Selangor Coconuts 25 0
Storer Communications SKr294.71 (23/3)
Wooltru Ord £9.75 (24/3)
Wooltru Class 'A' £9.75 (24/3)

By Permission of the Stock Exchange Council

LONDON STOCK EXCHANGE

Polling news triggers market slide

By Steve Thompson

THE three-day rally in London's equity market was effectively knocked on the head by the latest opinion polls and fears that Labour may emerge with a clear lead over the Conservatives in a batch of polls published tomorrow.

Topping a generally miserable session was news that Heron Corporation, the privately-owned conglomerate headed by Mr Gerald Ronson, may have run into financing problems, adding to the seemingly never-ending list of worries for the big banks.

The Heron news came hard on the heels of a recent announcement of problems at international property developer Olympia & York, controlled by the Reichmann brothers, and builder of the massive Canary Wharf development in London's docklands.

Account Dealing Dates			
*First Dealings:	Mar 9	Mar 23	Apr 6
Option Declarations:	Mar 19	Apr 2	Apr 23
Last Dealings:	Mar 20	Apr 3	Apr 24
Account Day:	Mar 30	Apr 13	May 5

*New-time dealings may take place from 8.30 am two business days earlier.

There was no respite for the Gilt-edged market, where long-dated stocks retreated around a half-point, despite a relatively stable performance by sterling against the D-mark.

Some of the equity market's big dollar earners were given a rough ride as the US currency retreated against Europeans on hints from Germany that rates will not be cut near-term.

The pressure was on equities from the outset with the stock market responding on the downside to reports of a poll giving a substantial swing to Labour in London, indicating a 2 points-plus lead over the Tories.

This story triggered a wide-spread mark down of share prices by dealers anxious to maintain level books over the general election campaign period.

The footsie future gave no real support to the cash market, remaining at a 4 to 5 point discount throughout the day with traders in this market reluctant to undertake big trades ahead of next Tuesday's expiry of the March series.

Opening over five points lower the footsie retreated in the face of some determined selling pressure, partly caused by the opinion poll worries but also by selling from local and overseas institutions said to have decided that the most likely outcome to the general election will be at best a hung Parliament or more likely a Labour-dominated government.

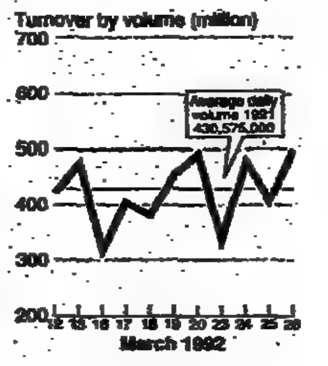
The market mood deteriorated substantially as the session wore on, hit by more election nervousness and latterly by a poor opening performance by Wall Street.

At its worst, the footsie showed a fall of 30.4 at 2,441.8, but it later eased off the bottom to close a net 24.3 at 2,447.9.

● Retail, or customer, volume, in equities picked up over the week as institutions began to rethink their portfolios as election day nears.

London SE volume

Turnover by volume (million)



Bid talk surrounds Racal

Very heavy turnover in security and telecommunications group Racal Electronics, combined with a rise in the share price against the market, prompted a number of market observers to cast around for a bidder.

The shares were the most heavily traded in the London market yesterday with more than 13.5m dealt and they rose 3¼ to 58¼p. This followed a rise of 2p on turnover of 10m on Thursday.

Market commentators believe that industrial conglomerate Tomkins, which was previously thought to have offered around £500m for Racal's Chubb subsidiary, may launch a 65p a share bid for the whole company - possibly next week.

In December Williams Holdings, which still holds 10 per cent of Racal made a three-for-20 share offer which ultimately valued each Racal share at 54.8p. Mr Brian Newman, an electronics specialist with agency broker Henderson Crosthwaite said; "Racal only just defeated the previous bid and if Tomkins were to bid at 65p they would stand a good chance."

Barclays slide

Concern over its debt exposure affected Barclays Bank which slumped 13 to 322p on particularly heavy turnover of more than 10m shares.

Property company Heron International said it was seeking the extension of maturity dates for some of its debts of at least £1.3bn. The market estimates that Barclays is owed around £250m.

There is also a feeling that Barclay's exposure to troubled Canadian property company Olympia & York could be greater than feared.

However, Mr John Aitken, a banking analyst at County NatWest said that, after conversations with the bank, he had good reason to believe the Heron figure was more in the region of £125m.

He added that most of the clearing banks would have an exposure.

The news comes at a time when it was hoped that most of the banks' bad debt news was already out in the open and discounted. NatWest Bank, which some observers said could have a £150m exposure to the Heron debt, fell 7 to 280p.

Waters gain

Water stocks, perhaps the most sensitive sector to the political climate, shrugged off yesterday's disappointing opinion poll news for the Conservative government. The shares resisted a weak market, showing small gains, as BZW said that although political risk has added uncertainty in the short term little change in policy is likely in the immediate few months after the general election, regardless of who leads the government.

Smith New Court recently pointed out that water companies will have to spend about £40bn in nominal terms in the next ten years and that a Labour government could not realistically take on this investment programme.

Southern gained 6 to 326p, with Thames up 2 at 446p, while Seven Trent and North West both put on a penny to 323p and 342p respectively. Wessex, the weakest performing water stock earlier this month, continued to recover on the back of its waste disposal joint venture, rising 4 to 398p.

Lonrho weak again

Conglomerate Lonrho fell for the second day running following Thursday's sale to Libya of a stake in its Metropole hotel chain, and a profit forecast cut from its broker.

UBS Phillips & Drew reduced its 1992 profit estimate by £25m to £125m for the year to end September after Lonrho warned of a tough first half at its annual meeting on Thursday. The house also reduced its dividend forecast by 2p to 8p. Lonrho's shares fell 8 to 87p on heavy turnover of more than 10m shares.

Midland Bank bucked a weak market to rise 2½p to 350p after news that the Hongkong Shanghai Banking Corporation, which hopes to merge with Midland, had reached an agreement in principle for a dual primary listing in Hong Kong and London.

More analysts cut their forecasts on TSB. County NatWest reduced its 1992 forecast by £60m to £200m and the shares slipped 2 to 128p.

Royal Bank of Scotland fell 10 to 164p after two securities houses turned negative on the stock.

S.G. Warburg reduced its forecast for the year ending September 1992 by £50m to £80m and maintained the stock as a hold but was not prepared to comment on reasons behind the change. Also, Smith New Court recommended a switch out of Royal Bank into Bank of Scotland arguing that the latter had underperformed Royal Bank by 18 per cent over the past quarter. Bank of Scotland was unchanged at 105p.

Conglomerate Trafalgar House rose 8 to 127p after traders were caught with short positions following an abortive bear raid earlier in the week. Oner of the US investment banks was said to be among those short of stock as a brisk 1.8m shares changed hands.

Aero-engine maker Rolls-Royce, denying any industrial trouble at its Derby plant, edged a penny to 155p.

Late talk in the market hinted that Eurotunnel, which had advanced this week on hopes that it would join the CAC-40 index in Paris, is close to agreeing terms with its contractors over the payment of extra costs for building the Channel tunnel.

Sketchy details emerging suggested that agreement had been reached on £400m of the £1.2bn claimed by the contracting consortium TML – and that no equity stake was involved. It is believed that TML is likely to settle for around 70 per cent of the remaining £800m. The shares slipped a penny to 438p.

Food companies and supermarket groups showed defensive attractions at a time of political uncertainty. A positive note from UBS Phillips & Drew continued to support J. Sainsbury, up 3 at 390p, with Wm Morrison climbing another 6 to 334p, following Thursday's good figures, Kwik Save gaining 4 to 543p and Tesco 1½ to 257½p. A buy recommendation from County NatWest helped lift Booker 7 to 437p.

A bad week for Euro Disney ended with the shares a further 22 off at 1523p. The stock has been weak following adverse press comment and a downgrade by Goldman Sachs.

Profit-taking in Rank Organisation, which had benefited on Thursday from a Smith New Court buy recommendation, saw the leisure group tumble 14 to 646p.

Troubled gambling machine group Kunick was busy after Mason Hill Asset Management of New York bought a 5.6 per cent stake in the 8.25p Preference Shares. The ordinaries lost a halfpenny to 7p in volume of 1.2m.

There was renewed, but largely disregarded, bid talk surrounding the holiday group stocks, with the focus on Airtours, a penny easier at 264p, Eurocamp, 2 firmer at 308p, and Owners Abroad off 2 at 107½p.

Continuing caution over its Virgin deal saw Thorn EMI 10 adrift at 730p.

Monument Oil & Gas was one of the market's heaviest traded stocks, with a block of 5m shares said to have been sold into the market.

The shares settled ½ off at 29¼p.

MARKET REPORTERS:
Peter John,
Christopher Price,
Colin Millham.

■ Other market statistics, Page 11.

NEW HIGHS AND LOWS FOR 1991/92

NEW HIGHS (66).
BREWERS & DISTILLERS (1) Invergordon Distillers, BUILDING MATERIALS (1) Worcester, CHEMICALS (1) Wolstenholme Rink, CONGLOMERATES (1) Wassall, CONTRACTING & CONSTRUCTION (1) Hey & Croft, ELECTRONICS (1) Microvitec, ENGINEERING GENERAL (1) Siebe, FOOD MANUFACTURING (1) Nichols (Vimto), FOOD RETAILING (2) Morrison (Wm) Supermarkets, Do. 5¼pc Pf., HEALTH & HOUSEHOLD (1) Proteus Intl., INVESTMENT TRUSTS (2) Manakin, Ollm Zero Cpn. Pf., MEDIA (1) Abbott Mead Vickers, MISCELLANEOUS (1) Lambert Howarth, MOTORS (1) Bay & Way "A", OTHER FINANCIAL (1) Prospect (C.P.), OTHER INDUSTRIAL MATERIALS (1) Servomex, PROPERTY (1) MIM, MINES (1) Lihir, Hydro-Electric, Scottish Power, ELECTRONICS (2) AB Electronic, Harland Simon, ENGINEERING GENERAL (3) Beauford, Clayton Son, VSEL Consortium, FOOD MANUFACTURING (1) Carr's Milling, HEALTH & HOUSEHOLD (1) Kynoch (G), HOTELS & LEISURE (2) Fairline Boats, Harmony Leisure, INSURANCE BROKERS (2) Heath (C.E.), Willis Corroon, INSURANCE COMPOSITE (1) General Accident, INSURANCE LIFE (1) Legal & General, INVESTMENT TRUSTS (14) City of Oxford Inc., Danae, Drayton Blue Chip Tst., Electra, Gartmore European Warrants, M & G Income Geared Units, New Throg. New Warrants, New Throg. Inc., Overseas Inv. Tst. Warrants, River & Merc. Grd. Inc., Scottish National Tst., Do. Cap., TR Prop., Tor Cap., MEDIA (2) Aveeco, Holmes Marchant, Shandwick.

NEW LOWS (78).
BRITISH FUNDS (8) Treasury 13¼pc Ln. 1993, Ex. 13½pc 1994, Tr. 14½pc 1994, Tr. 8½pc 2007 A, Tr. 9pc 2012, Tr. 2½pc I-L 2016, Tr. 2½pc I-L 2020, Tr. 2½pc I-L 2024, BANKS (1) Barclays, BREWERS & DISTILLERS (2) Macallan-Glenlivet, Whitbread "A", BUSINESS SERVICES (3) Automated Sec., Brooks Service, Rentokil, CONGLOMERATES (1) Jardine (T), ELECTRICALS (1) Wholesale Fittings, ELECTRICITY (2) Scottish METAL & METAL FORMING (2) Sellers (Henry), C.L., MISCELLANEOUS (3) Beckenham, Gestetner, WSP, OIL & GAS (5) Calor, Conroy Petm., Hardy Oil & Gas, LASMO, Trident Petm., PACKAGING, PAPER & PRINTING (2) NMC, Waverley Cameron, PROPERTY (9) Asked Associates, British Land, Bucknall, Cardiff Prop., Estates & General, Helical Bar, Markvale Moore, Smith (James), Ossory Ests., STORES (1) Austin Reed, TEXTILES (1) Jerome, MINES (2) Kinross, Leslie.

RISES AND FALLS YESTERDAY

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	1	69	10	107	185	108
Other Fixed Interest	5	8	4	29	28	28
Commercial, Industrial	153	348	970	1,029	1,633	4,692
Financial & Property	55	183	552	369	892	2,681
Oil & Gas	15	20	52	75	102	258
Plantations	0	0	9	0	0	[illegible]
Mines	22	32	93	88	166	481
Others	38	34	63	166	239	272
Totals	289	694	1,753	1,863	3,245	8,565

FINANCIAL TIMES STOCK INDICES

	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Year Ago	1991/92 High	1991/92 Low	Since Compilation High	Since Compilation Low
Government Secs	85.63	85.93	86.14	86.02	85.94	85.08	88.55 (27/2/92)	82.17 (2/1/91)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	98.75	98.99	99.35	99.15	99.11	94.60	101.56 (19/2/92)	90.59 (2/1/91)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1914.9	1938.3	1929.9	1926.2	1910.8	1985.9	2108.3 (2/9/91)	1606.3 (16/1/91)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	119.6	120.6	121.3	121.8	123.4	138.2	222.8 (11/7/91)	118.0 (17/3/92)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2447.9	2472.2	2464.9	2458.7	2441.0	2488.3	2679.6 (2/9/91)	2054.8 (16/1/91)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1153.31	1161.65	1156.54	1157.61	1151.61	1155.85	1200.08 (4/3/92)	938.62 (16/1/91)	1200.08 (4/3/92)	938.62 (16/1/91)
●Ord Div Yield	4.69	4.64	4.66	4.67	4.64	4.86				
●Earning Yld %(full)	6.77	6.69	6.60	6.63	6.62	8.80				
●P/E Ratio(Net)(*)	18.57	18.79	19.26	19.17	19.02	14.00				
SEAQ Bargns 5.00pm	26,493	28,618	28,488	27,980	26,630	39,408				
Equity Turnover(£m)†	-	1,129.8	922.3	984.9	754.8	1183.74				
Equity Bargains†	-	32,654	30,741	32,744	31,380	45,958				
Shares Traded (ml)†	-	499.1	404.3	479.3	345.5	715.7				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. [illegible]

Ordinary Share Index, Hourly changes — Day's High 1936.8 — Day's Low 1911.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1938.8	1930.3	1932.8	1925.8	1923.2	1921.5	1919.9	1913.2	1913.8

FT-SE 100, Hourly changes — Day's High 2466.7 — Day's Low 2441.8

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2466.7	2459.1	2462.7	2456.1	2452.8	2451.1	2449.8	2442.4	2446.7

FT-SE Eurotrack 200, Hourly changes — Day's High 1159.28 — Day's Low 1151.35

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1158.55	1159.00	1156.41	1155.24	1155.82	1155.22	1152.81

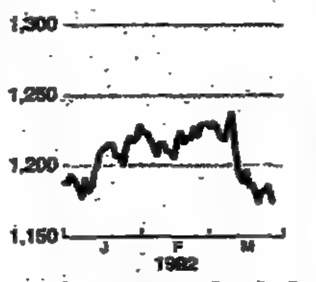
GILT EDGED ACTIVITY

Indices*	Mar 26	Mar 25
Gilt Edged Bargains	130.0	163.3
5 – Day average	120.9	110.3

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

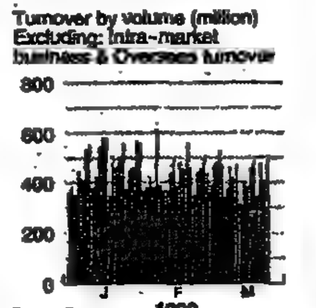
London report and latest Share index: Tel. 0891 123001 Calls charged at 36p/minute cheap rate, 48p/minute at all other times

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



Source: Datastream

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	[illegible]	525	-3	Comm. Union	451	438	-4	Lucas	4,700	119	-8	Shell Transport	2,100	441	-2
ASDA Group	4,750	50½		Cookson	2,700	125	-3	AB Canadian	1,000	260	+5	Siebe	1,200	626	+8
Abbey National	[illegible]	269	-7	Courtaulds	1,700	539		MEPC	1,300	325	-8	Slough Ests	819	179	+1
Albert Fisher	2,400	67		Dalgety	[illegible]	330		[illegible]	59	284	-2	Smith (W.H.) A	725	418	-7
Allied - Lyons	1,000	614	-7	De La Rue	705	561	-6	Marks & Spencer	2,600	280	-6	Smith & Nephew	2,200	148	+1
Amstrad	983	31	-1	Dixons	1,500	217	-7	Midland Bank	6,900	350	+2½	SmKl Beecham	1,100	845	-13
Anglian Water	235	328	-1	ECC Group	317	490		Midlands Elec.	287	230	-1	SmKl Beecham Uts.	329	3870	-15
Argos	468	245	-5	Eastern Elect.	1,000	229		NFC	736	235		Smiths Inds	784	272	-1
Argyll Group	2,300	317	-1	East Midland Elec.	386	236		NatWest Bank	2,800	280	-7	Southern Elect.	435	234	-2
Arjo Wiggins	522	229	-1	Enterprise Oil	514	388	-6	National Power	392	186		South Wales Elect.	260	385	-1
Ass. Brit. Foods	232	427	+2	Eurotunnel Units	349	438	-1	Next	2,100	86		South West Water	308	341	+4
Ass. Brit. Ports	[illegible]	352	+1	FKI	736	81	+2	North West Water	780	342	+1	South West. Elect.	475	244	+3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BP	7,900	236	+1	Kingfisher (Stoncape?)	871	415	-5	Ratners	[illegible]	1009	-31	Vodafone	1,600	332	-10
British Steel	8,400	69	-1	Kingfisher	1,400	480	-10	Ryl Bk Scotland	5,100	164	-10	Warburg (SG)	139	481	-2
British Telecom	4,800	315½	-2	Kwik Save	730	543	+4	Royal Insurance	1,300	183	-4	Wellcome	1,300	1000	+6
Br. Telecom New	2,400	133	-3	Ladbroke	1,300	221	+3	Saatchi	3,700	16	-½	Welsh Water	1,300	384	+6
Bunzl	264	82		Land Securities	1,600	403	-7	Sainsbury	[illegible]	390	+3	Wessex Water	456	398	+4
Burmah Castrol	581	555	-10	Laporte	1,300	570	-9	Scottish & New.	[illegible]	456	-1	Whitbread 'A'	786	355	-1
Burton	3,800	39½	-½	Legal & General	877	384	-10	[illegible] Elect.	1,200	94	-3½	Williams Hldgs.	2,800	313	-1
Cable & Wire.	3,700	520	-30	Lloyds Abbey	788	345	-7	Scottish Power	5,700	[illegible]	-2½	Willis Corroon	818	225	-6
Cadbury Schweppes	1,700	438	-2	Lloyds Bank	1,300	387	-2	Sears	2,700	97	-3	Wimpey	423	141	
Calor Group	784	174	-6	LASMO	2,800	186		Sedgwick	[illegible]	300	+1	Wolseley	717	396	+1
Carlton Comms	1,000	535	+12	London Elect.	1,200	263	-3	Seeboard	240	250	-2	Yorkshire Elect.	213	298	
Coats Viyella	2,200	187	-3	Lonrho	10,000	87	-8	Severn Trent Water	1,300	323	+1	Yorkshire Water	319	357	+2

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down

EQUITY FUTURES AND OPTIONS TRADING

POLITICAL worries returned to the futures market yesterday, sidelining investors and undermining prices, writes Christopher Price.

The March FT-SE contract opened at 2,458 and, in an early rally, hit the day's high of day of 2,462. It then proceeded to drift for the rest of the day, led by the cash market and undermined by reports of a favourable opinion poll for the Labour party in London marginal constituencies.

A weak Wall Street also dragged at sentiment, and by early afternoon March was trading at 2,450. Any attempt to trade at a premium to the cash market was quickly quashed as March was sold down, typically trading at a 4 to 5-point discount.

March closed at 2,444, a fall of 22 on the previous session and a discount to the cash market of around 4 points. Volume was a quiet 5,797 contracts, although there was a surge in after-hours trading, with March continuing to be sold down.

On the traded options market, trading was quiet with 23,090 lots dealt against 28,000 on the previous day. Business was enlivened by brisk trade in Lonrho and BTR.

FT-A INDICES LEADERS AND LAGGARDS

Percentage changes since January 2 1992 based on Thursday March 26 1992

Motors	+	10.03
Textiles	+	8.18
Building Materials	+	7.66
Engineering-General	+	7.47
Media	+	7.46
Other Industrial Materials	+	7.34
Food Retailing	+	6.68
Capital Goods	+	6.45
Electronics	+	5.18
Brewers & Distillers	+	4.88
Packaging, Paper & Printing	+	4.15
Metals & Metal Forming	+	3.94
Hotels & Leisure	+	3.90
Electricals	+	3.72
Engineering-Aerospace	+	3.64
Chemicals	+	3.61
Conglomerates	+	3.46
Stores	+	3.33
Transport	+	3.02
Water	+	2.86
Contracting, Construction	+	2.26
Industrial Group	+	1.89
Consumer Group	+	1.84
Banks	+	1.76
500 Share Index	+	0.41
Food Manufacturing	-	0.01
All-Share Index	-	0.24
Other Groups	-	0.63
Investment Trusts	-	1.00
Merchant Banks	-	3.36
Health & Household	-	3.95
Telephone Networks	-	4.51
Financial Group	-	4.64
Insurance Brokers	-	5.17
Electricity	-	6.96
Business Services	-	7.13
Insurance (Life)	-	8.29
Oil & Gas	-	10.56
Gold Mines Index	-	12.40
Insurance (Composite)	-	13.03
Property	-	13.23

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	100.5835	0.450	9.91	10.12	9.97
BELGIUM		9.000	08/01	100.4000	-0.200	8.92	8.90	8.64
CANADA *		8.500	04/02	97.9500	-0.800	8.81	8.83	8.42
DENMARK		9.000	11/00	100.5700	-0.330	8.88	8.95	8.55
FRANCE	BTAN	8.500	03/97	97.8780	-0.267	9.04	9.06	8.86
	OAT	8.500	11/02	98.4000	-0.480	8.72	8.78	8.38
GERMANY		8.000	01/02	99.6900	-0.140	8.04	8.04	7.86
ITALY		12.000	02/02	97.6700	-0.340	12.411	12.36	12.14
JAPAN	No 119	4.800	06/99	96.0807	0.182	5.56	5.60	5.71
	No 129	6.400	03/00	105.2871	0.263	5.28	5.34	5.38
NETHERLANDS		8.250	02/02	98.8600	-0.110	8.41	8.41	8.22
SPAIN		11.300	01/02	101.8500	-0.240	10.96	10.99	10.75
UK GILTS		10.000	11/96	99-16	-12/32	10.13	10.01	9.38
		9.750	08/02	99-31	-22/32	9.91	9.81	9.26
		9.000	10/08	94-17	-19/32	9.67	9.58	9.08
US TREASURY *		7.500	11/01	99-18	+04/32	7.56	7.64	7.42
		8.000	11/21	100-06	+07/32	7.98	8.06	7.93

London closing. *denotes New York morning session. Yields: Local market standard
† Gross (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

COMMODITIES

WEEK IN THE MARKETS

Coffee market goes into reverse

THE COFFEE market's recent advance went into reverse this week, in spite of a couple of distinctly bullish developments. The May futures position on the London market had travelled hopefully from $795 to $886 a tonne in response to signs the Brazil, the biggest producer, was at last adopting a positive attitude to the revival of the moribund International Coffee Agreement. But traders seem to have found the arrival of Brazil's new policy something of an anti-climax. And they had already shrugged off Brazil's forecast of a 28 per cent cut in its crop next season.

The upturn in prices began three weeks ago, after Brazilian coffee growers voted in favour of the reintroduction of the agreement's export quota scheme, which was suspended in July 1989. That was not very surprising; growers are naturally more interested in encouraging higher prices rather than in ensuring unfettered trade. Much more significance was attached, however, to the following week's news that Brazilian exporters, concerned about the impact of low prices on the prospects for the country's coffee production, had abandoned their traditional opposition to export controls.

With both sides of the Brazilian coffee industry speaking with one voice for a change the way was open for the government to formulate a clear policy for price stabilisation. That policy was revealed on Thursday night and seems to have been well enough received. Mr Jorge Cardenas, president of the Colombian coffee growers' federation, described it as "a very important step in the process of negotiations towards a new International Coffee Agreement" and London trade house GNI said it appeared to be "a reasonable document, agreeing on the need for a universal quota [covering all coffee exports] and the establishment of a realistic price range".

But the bullish trend had already run its course. On Thursday, as the market awaited details of the Brazilian policy, the May futures price fell $14. And yesterday morning, as traders studied the proposals, it slipped another $13. That fall was recovered in the afternoon, however, and the price ended the day unchanged at $859 a tonne, $19 down on the week.

The cocoa market fared still worse, with the May quotation ending £44 down on the week at £646 a tonne, an eight-month low. Some of the fall, about £13, was explained by sterling's strength against the dollar, but most of it simply reflected the deteriorating fundamental and technical situations.

"Technically the picture looks terrible," one London trader commented yesterday. He said stop-loss selling orders had been triggered as prices slipped following the May position's failure early in the week to break through resistance near £700 a tonne.

Producer selling was also reported, and there was news of rain in West African growing areas, which could benefit next season's crops.

This week's London meeting of the International Cocoa Organisation made little progress towards a resumption of effective price stabilisation efforts. But that was as expected and had no discernible market impact.

At the London Metal Exchange most interest was focussed on the zinc market, which was boosted by hedge selling early in the week and surged to 15-month highs yesterday on a reassessment of last year's demand situation by the International Lead and Zinc Study Group.

The study group adjusted its figure for 1991 zinc consumption from 5.25m tonnes, which would have been unchanged from the previous year, to 5.34m tonnes. Mr Nick Moore, analyst at Ord Minnett, part of the Westpac banking group, described the news as "dynamite". He said it showed that the zinc market was "much more robust" than had generally been thought.

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+15,025	to 1,175,800
Copper	-1,725	to 300,775
Lead	-925	to 132,175
Nickel	+750	to 25,740
Zinc	+2,975	to 279,475
Tin	-180	to 11,840

Traders seemed to be similarly impressed. The three months LME price, which had dipped to $1,255.50 a tonne at the lunch-time ring, closed at $1,263.50 a tonne and moved up to $1,275.50 a tonne in after-hours trading, taking the overall rise on the week to $41 a tonne.

At the London bullion market the gold price staged a tentative rally following last week's heavy fall. An early rise reflecting consumer buying ran into producer selling at $340 a troy ounce, but that barrier was breached on Wednesday, with the aid of US computer fund buying, and the price ended the week $2.75 up at $341.80 an ounce.

Richard Mooney

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AUTHORISED UNIT TRUSTS

AIB Unit Trust Managers Limited (1000)F

51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
AIB Grofund American	5	116.5	120.8	127.2	-0.80	0.00
AIB Grofund Equity	5	167.0	[illegible]	178.9	-0.60	1.73
AIB Grofund Euro	5	134.9	136.9	143.9	-0.20	1.09
AIB Grofund Gilt	3	68.93	68.97	71.10	[illegible]	[illegible]
AIB Grofund Japan	5	112.4	113.7	119.7	[illegible]	0.00

Abbey Unit Tst Mngrs (1000)H

80 Holdenhurst Rd, Bournemouth 0345 717373

Aberforth Unit Trust Managers Ltd (1600)F

14 Chester St, Edinburgh EH3 7RA 031 220 0733

Brewin Dolphin Unit Tst Mgrs Ltd (0900)F

5 Giltspur St, London EC1A 9DE

Britannia Life Unit Managers Ltd (1200)F

140 West George St, Glasgow G2 2PA

Brown Shipley & Co Ltd (1000)F

9-17 Perrymount Rd, Haywards Hth

MGM Unit Managers Ltd (1000)F

MGM House, Heene Rd, Worthing

Dealing: 0277 261010

MW Investment Managers Ltd (0459)F

4b Court St, Haddington, E. Lothian

Maiden Unit Trust Managers Ltd (1400)F

c/o Baillie Gifford 1 Rutland Ct EH3 8EY 031 222 4242

Mannlife Management Ltd (1200)F

St George's Way, Stevenage

Marks & Spencer Unit Trust Ltd (1200)F

PO Box 410, Chester X, CH99 9DE

For Godfrey Morley see Commercial Union

Murray Johnstone UT Mgmt (1000)H

7 West Nile St, Glasgow G2 2PX

NFU Mutual Unit Mngrs Ltd (1400)F

Admin: 3 Rayleigh Road, Hutton, Brentwood, Essex

NM Unit Trust Mngrs (1200)F

The Hilsea Centre, North Harbour, Portsmouth

N&P Unit Trust Management Ltd (1200)F

35 Fountain St, Manchester M2 2AF

National Provident Inv Mgrs Ltd (1400)H

48 Gracechurch St, EC3P 3HH 071-623 4200

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: [illegible]

OFFER PRICE: [illegible]

BID PRICE: [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible] The symbols are as follows: (♥) - 0001 to 1100 hours; (♠) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♣) - 1701 to midnight. [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

[illegible] Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

هكذا حسب الأصل

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INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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Norwich Union Life Insurance Soc.—Contd.

	Bid Price	Offer Price	+ or −	Yield Gross
Pensionvestor* & Unit-Linked Plus*				
Mixed Fund	435.3	458.2	−2.7	–
Ordinary Share Fund	648.5	682.6	−7.9	–
International Fund	172.0	181.1	+0.6	–
Property Fund	259.6	273.3	+0.4	–
Fixed Interest Fund	390.2	410.7	+0.1	–
Index-Linked Sec Fund	188.3	198.2	−0.9	–
Deposit Fund	278.5	293.2	+0.6	–
Norwich Units Mar 14	1048.63			–
Prices as at March 24				
Jersey Investment Plan				
With Profits Fund	122.96	129.43	+0.04	–
Intl Equity Fund	93.51	98.43	−0.22	–
Intl Bond Fund	120.80	127.16	−0.13	–

Norwich Union Pensions Management Ltd
Surrey Street, Norwich NR1 3NG 0603 683335

	Bid Price	Offer Price	+ or −	Yield Gross
Group Pooled Pensions				
Balanced Managed Fd	312.80	318.03	+0.63	–
Growth Managed Fd	103.80	105.63	+0.30	–
Secured Managed Fd	103.12	104.54	+0.12	–
Prices as at March 26				

Pearl Assurance (Unit Funds) Ltd
Thorpe Wood, Peterborough PE3 6SA 0733 63212

	Bid Price	Offer Price	+ or −	Yield Gross
Prop. Dist. (Gross)	133.8	140.8		–
Prop. Acc. (Gross)	255.0	268.4	+0.1	–
Equity (Gross)	842.5	886.9	−2.6	–
Managed (Gross)	590.4	621.5	−2.0	–
Prop. Acc. (Net)	121.7	128.1		–
Equity (Net)	195.9	206.2	−0.8	–
Managed (Net)	182.3	191.9	−0.5	–
International (Net)	166.6	175.3	−0.7	–
Gilt & Fxd Interest	131.5	138.5	−0.6	–
Money Fund	137.5	144.7		–
Mixed Fund (Cap)	114.8	120.9		–
Mixed Fund (Acc)	118.3	124.6		–
Pearl Assurance (Unit Linked Pens) Ltd				
Per Man (Series 1)	646.8	680.9		–
Per Man (Series 2)	219.3	230.9	−0.1	–
Per Cash	192.3	202.4		–
Pens Mixed Fd (Cap)	127.9	134.7		–

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)**

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)**

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

FT MANAGED FUNDS SERVICE

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CMI Fund Managers (IoM)

Equity & Law Intl Fund Mngrs Ltd

Gartmore Fund Managers (IoM)

ISLE OF MAN (REGULATED)

JERSEY (SIB RECOGNISED)

EBC Trust Company (Jersey) Ltd

EquitiLink International Mngt Ltd

Fidelity Investment (CI) Ltd

Fleming Group

LUXEMBOURG (SIB RECOGNISED)

Commercial Union Luxembourg SA – Contd.

Midland Internatnl Circuit Fund SICAV(a)

LUXEMBOURG (REGULATED)

Fidelity Investment (CI) Ltd

Asian Convertibles & Income Fd (Cayman)

Austro-Hungary Fund Ltd

SEA Associates

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

Global Asset Management – Contd.

Orbis Investment Management Ltd

Orbitex Bahamas Ltd

ORIENT Growth Fd

JERSEY (REGULATED)

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

US MARKETS (3:00 pm)

[illegible]

CANADA (3:00 pm)

[illegible]

AUSTRIA

[illegible]

FRANCE (continued)

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FINLAND

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

GERMANY (continued)

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWEDEN (continued)

[illegible]

SWITZERLAND

[illegible]

SOUTH AFRICA

[illegible]

JAPAN

[illegible]

AUSTRALIA

[illegible]

AUSTRALIA (continued)

[illegible]

HONG KONG

[illegible]

MALAYSIA

[illegible]

SINGAPORE

[illegible]

Prices on this page are as quoted on the individual exchanges and are last traded prices. Stock data supplied by Telekurs.

INDICES

NEW YORK

DOW JONES	Mar 26	Mar 25	Mar 24	Mar 23	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
‡Industrials	3267.67	3259.39	3260.96	3272.14	3290.25 (3/3)	3172.41 (2/1)	3290.25 (3/3/92)	41.22 (2/7/32)
Home Bonds	98.72	98.54	98.50	98.58	99.81 (6/2)	98.41 (20/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1392.00	1390.88	1397.05	1417.04	1467.58 (20/2)	1342.12 (2/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	203.93	203.37	205.43	205.43	225.59 (3/1)	202.55 (6/3)	236.23 (2/1/90)	10.50 (8/4/32)

‡Day's High 3288.91 (3290.47) Low 3245.08 (3238.15)

STANDARD AND POOR'S

	Mar 26	Mar 25	Mar 24	Mar 23	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	407.86	407.52	408.88	409.91	420.77 (15/1)	403.89 (12/3)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	485.55	485.28	486.87	487.87	499.27 (15/1)	480.59 (12/3)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.33	34.36	34.42	34.62	35.14 (15/1)	33.53 (31/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	225.49	225.40	225.89	226.41	231.85 (15/1)	223.30 (12/3)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	398.86	400.29	399.57	401.36	418.99 (12/2)	395.51 (2/1)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	615.40	619.48	618.68	621.83	644.92 (12/2)	586.45 (2/1)	644.92 (12/2/92)	54.87 (31/10/72)

	Mar 20	Mar 13	Mar 6	year ago (approx.)
Dow Industrial Div. Yield	2.80	2.84	2.84	3.53

	Mar 25	Mar 18	Mar 11	year ago (approx.)
S & P Industrial div. yield	2.62	2.61	2.64	2.88
S & P Indl. P/E ratio	28.78	28.91	28.51	17.95

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Amer Express	5,239,600	24	+ ½
Bank of Boston	3,290,800	18	- ¼
York Intl	2,977,100	32¾	- ¼
Glaxo	2,143,500	27½	- 1¼
Glenfed	2,017,800	3½	- 1⅞
Archer Daniels	2,017,000	26⅛	- ⅞
Bally	1,969,400	7	+ ¼
Commodore	1,967,100	15⅞	+ 1½
Waste Man	1,932,800	39½	+ ¼
Telefonos	1,683,500	59⅛	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Mar 26	Mar 25	Mar 24
New York SE	176.690	192.080	188.723
Amex	15.006	14.461	13.708
NASDAQ	175.496	191.947	186.925
NYSE			
Issues Traded	2,203	2,214	2,244
Rises	770	768	732
Falls	843	881	988
Unchanged	590	565	525
New Highs	38	45	70
New Lows	18	16	26

CANADA

TORONTO	Mar 26	Mar 25	Mar 24	Mar 23	1992 HIGH	1992 LOW
Metals & Minerals	2968.18	2978.83	3004.83	2988.71	3238.87 (16/1)	2936.22 (2/1)
Composite	3448.50	3452.30	3437.80	3443.70	3666.00 (16/1)	3437.80 (24/3)
MONTREAL Portfolio	1796.06	1801.49	1792.77	1793.35	1937.59 (16/1)	1792.77 (24/3)

Base values of all indices are 100 except NYSE All Common—50, Standard and Poor's—10, and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Mar 27	Mar 26	Mar 25	Mar 24	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1576.4	1571.2	1582.8	1583.4	1675.60 (15/1)	1540.00 (11/3)
All Mining (1/1/80)	687.4	684.2	683.5	684.6	737.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	431.97	432.85	431.91	429.14	485.28 (18/3)	372.34 (2/1)
Traded Index (2/1/91)	1031.15	1033.72	1032.55	1025.82	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1187.09	1190.63	1193.37	1189.81	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	331.12	331.14	333.42	333.50	366.29 (15/1)	331.12 (27/3)
FINLAND						
HEX General (28/12/90)	837.7	830.6	834.8	836.5	935.90 (24/2)	779.80 (2/1)
FRANCE						
CAC General (31/12/82)	524.04	523.49	519.86	513.63	534.00 (11/3)	475.53 (2/1)
CAC 40 (31/12/87)	1923.54	1924.75	1908.28	1896.26	1993.80 (11/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	696.19	698.21	698.47	694.94	715.44 (3/3)	643.26 (2/1)
Commerzbank (1/12/53)	1969.3	1975.3	1975.1	1964.7	2004.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1711.45	1719.82	1716.26	1713.11	1764.80 (3/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	5087.58	5037.71	5052.23	5052.32	5071.19 (13/3)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1390.02	1395.89	1390.15	1397.46	1469.57 (17/1)	1389.82 (27/3)
ITALY						
Banca Com. Ital. (1972)	497.74	496.97	499.29	505.59	551.99 (6/2)	496.97 (26/3)
MIB General (2/1/92)	979.0	978.0	982.0	994.0	1087.00 (6/2)	978.00 (26/3)
JAPAN						
Nikkei (16/5/49)	19636.99	19885.49	20226.78	19891.57	23801.18 (6/1)	19636.99 (27/3)
Tokyo SE (Topix) (4/1/68)	1428.13	1446.76	1448.70	1439.55	1763.43 (6/1)	1407.78 (18/3)
2nd Section (4/1/68)	2106.94	2117.71	2118.40	2131.22	2459.85 (6/1)	2106.94 (27/3)
MALAYSIA						
KLSE Composite (4/4/86)	682.71	684.27	687.40	689.90	619.06 (28/2)	546.63 (14/1)
NETHERLANDS						
CBS Tll Rtn Gen (End 1983)	290.3	292.0	291.7	292.0	295.30 (4/3)	274.00 (8/1)
CBS All Shr (End 1983)	203.8	205.0	204.8	205.1	4379.00 (17/3)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	705.49	704.35	704.76	710.43	748.03 (17/1)	667.08 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1086.11	1086.60	1088.95	1094.63	1383.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	382.17	381.59	378.45	388.80	416.99 (21/1)	384.78 (9/3)
SOUTH AFRICA						
JSE Gold (28/9/78)	1116.00	1122.0	1140.0	1121.0	1327.00 (21/1)	1103.00 (24/3)
JSE Industrial (28/9/78)	4456.00	4439.0	4432.0	4426.0	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	617.30	611.70	607.83	(c)	691.48 (8/2)	604.63 (25/3)
SPAIN						
Madrid SE (30/12/85)	256.71	255.57	254.05	255.84	266.51 (10/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1006.9	1004.1	1009.3	1001.4	1009.70 (26/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	813.8	818.0	815.4	808.6	818.00 (26/3)	740.50 (8/1)
SBC General (1/4/87)	640.5	644.0	642.6	639.3	658.10 (3/3)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4817.35	4792.54	4721.25	4790.10	5391.63 (30/1)	4605.16 (23/3)
THAILAND						
Bangok SET (30/4/75)	820.18	824.80	827.22	822.61	888.10 (27/3)	711.81 (3/1)
WORLD						
M S Capital Intl (1/1/70) (S)	490.1*	493.3	493.6	492.0	542.30 (3/1)	490.10 (27/3)
Euro Top-100 (26/6/90)	914.94	919.83	919.10	915.71	943.20 (3/3)	898.31 (2/1)

**Saturday March 21: Taiwan Weighted Price 4745.03, Korea Comp Ex. 617.30.
‡ Subject to official recalculation. *Calculated at 15:00 GMT.
Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX—1,000, JSE Gold—255.7, JSE 26 Industrials—264.3 and Australia All Ordinary and Mining—500. (c) Closed. (u) Unavailable.

WORLD STOCK MARKETS

AMERICA

Overseas losses weaken Dow at midsession

Wall Street

LOSSES on overseas markets set the tone for early weakness in US equities yesterday morning, and in spite of better-than-expected income and spending data, share prices ended a week of nervousness and uncertainty with sharp declines, *writes Patrick Harverson in New York.*

By 1 pm the Dow Jones Industrial Average was down 27.06 at 3,240.61. The more broadly based Standard & Poor's 500 was also lower at midsession, down 2.93 at 404.93, while the Nasdaq composite of over-the-counter stocks slumped 10.82 at 604.58. Turnover on the NYSE was 97m shares by 1 pm.

There was no particular trigger for yesterday's selling and the current perception among investors and traders is that the market is in a period of transition. Amid the uncertainty about the near-term outlook trading remained cautious, with the emphasis on profit taking on stocks which enjoyed good gains in the first quarter.

The market shrugged off news of a 1.1 per cent rise in personal income and a 0.9 per cent rise in personal spending last month. Both figures were slightly higher than forecasts.

Technology issues bore the brunt of the selling. Digital Equipment fell $2 to $54¾ after Smith Barney Harris Upham, the broking house, lowered an investment rating on the stock and increased its forecast of how much the group will lose in 1992. Hewlett-Packard slipped $⅞ to $79⅛, Unisys gave up $¼ at $9¾, Motorola, which announced plans to build a factory in Beijing, China, dropped $2 to $76⅝, and IBM fell $¼ to $83⅞.

Household International slumped $9⅝ to $46⅝ in turnover of 1.6m shares after the financial services and manufacturing group warned that first quarter earnings would be 40 per cent to 50 per cent below analysts' estimates. These have ranged between $1.10 and $1.35 a share.

Catalina Marketing enjoyed a successful debut. The issue of 2.2m shares of common stock was priced at $20 a share, and by early afternoon they were trading at $28¼.

On the over-the-counter market, technology stocks also took a beating. Intel was by far the most actively traded issue, plunging $5 to $53¾ in turnover of 6m shares after Bear Stearns downgraded the stock from a "buy" to a "hold". Also lower were Apple, $2¾ weaker at $61¼, Microsoft, down $5¼ at $119¾, and Borland International, $3½ lower at $53¼.

Profits warnings hit Handex Environment, down $7½ at $14, and Alias Research, down $2¼ at $11¼ – both companies said next quarter earnings would be lower than a year ago.

Canada

TORONTO stocks fell at midday, following a slump in the Nikkei average to a five-year low and sharp losses in the London stock market. The TSE 300 composite index fell 22.8 to 3,425.7. Declines led advances by 250 to 189 in volume of 22.8m shares. Total transactions were valued at C$164.2m.

Only the real estate and construction sector recorded any gains. All of the 13 other sectors weakened, with banks losing nearly 1 per cent. Banks have been volatile over the past week following Olympia & York's debt restructuring talks.

SOUTH AFRICA

JOHANNESBURG lacked direction and the overall index moved ahead 3 to 3,555 while industrials reversed earlier loses to close 16 higher at 4,455. The gold index slipped 4 to 1,118 as the price of bullion continued to ease.

Reflective phase follows resilience to rate rise

Talk of the beginning of a bull market in Germany is tempered by gloomy caveats, says David Waller

For the last quarter of 1991 investors lived in fear of an aggressive interest rate move from the Bundesbank. When the move did come it was more aggressive than expected – a half-point rise in both Lombard and discount rates – and yet the German stock and bond markets responded positively.

As in the German Bund market, investors, predominantly overseas institutions, took the central bank's move as evidence of its determination to beat down inflation. They calculated this was as far as interest rates would have to go, and bought shares and government securities in anticipation of rate cuts in the spring or early summer.

Further positive impetus for German equities came from the rise of Wall Street share prices in the first two months of the year. The DAX index climbed to a peak of 1,772 in early March, outperforming other European share markets in the process. It has slipped back to around 1,710 since then – still an increase of just under 9 per cent since the beginning of the year.

In the past few weeks, the high volumes which induced the rally have fallen back and the market has entered one of its periodic reflective phases. Investors are once again scrutinising the contradictory indicators, and asking themselves whether they are in for a prolonged bout of stagnation or if they stand at the very beginning of a glorious bull market.

"We are sure we are in a bull market," said Mr Günter Kirchhain of Deutsche Bank's Düsseldorf-based institutional equities team, at an investment symposium in Berlin on Thursday. In its latest report on Germany, Goldman Sachs is also optimistic, saying that the DAX index ought to rise to 2,000 over the next 12 months. But both Goldman and Deutsche Bank temper their enthusiasm by saying that the surge in share prices will not happen overnight.

Indeed, as Mr Kirchhain outlined to his audience of international investors, there is much to be glum about. The negative factors include:

- The west German economy is slowing down. Deutsche Bank is predicting growth of just over 1 per cent this year. Without unequivocal – and sustainable – recovery in the US, there is no chance the German economy will be bailed out by a demand for exports.

Domestically, the impetus to west German growth caused by reunification is running out of steam.

- *Economic difficulties* are reflected in poor company profits. Hardly a day goes by without some large German company issuing dreadful figures for last year and bemoaning the outlook for the current year.

Veba, the energy group which announced a dividend rise on Wednesday is a rarity in the industrial sector. Collectively, German companies' earnings are likely to rise between 0 and 3 per cent this year.

The banking sector is enjoying a boom, but Deutsche Bank alone among the bigger banks has had the courage to put up its dividend.

- The outlook for interest rates is not as encouraging as it may have seemed shortly before Christmas. Money supply growth is higher than the Bundesbank would like, and the 6.35 per cent pay settlement for steel workers is not an encouraging signal for the rest of the wage round.

Inflation is likely to reach a peak of 4.7 per cent for March and April, before dropping back "decisively" to below 4 per cent in the second half of the year, according to Mr Norbert Walter, chief economist at Deutsche Bank. He said the Bundesbank would not move to cut money market rates until June at the earliest. Thereafter the need for finance to rebuild the eastern Länder would keep pressure on interest rates over the longer term.

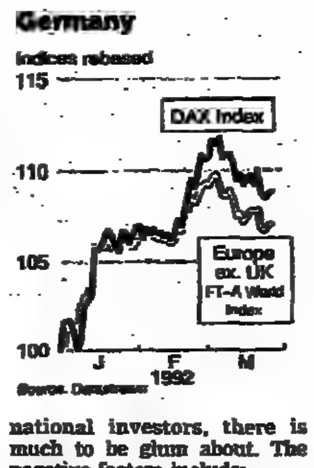
The market's rise this year is explained by the fact that investors are already looking beyond these short-term problems and anticipating "another decade of double-digit earnings growth", as Mr Kirchhain put it this week.

They are expecting interest rates to come down later this year; they are anticipating a US-led world economic recovery; they are expecting German companies to come out of this year's recession leaner and fitter; they believe that over the next decade German industry will be the beneficiary of demand for capital goods, not just in the five new Länder, but in the whole of eastern Europe; and they are anticipating the benefits of the EC's single market programme.

Thus Deutsche Bank is forecasting economic growth of a full 3 per cent in the western part of Germany next year, and earnings growth of 12 to 15 per cent. With the DAX at the 1,710 level, this puts shares on a prospective multiple for 1993 of somewhere in the low teens – arguably reasonable when compared to 18 or 19 for the current year.

Both Deutsche Bank and Goldman Sachs think that the market may have got ahead of itself in anticipating recovery – Mr Kirchhain even went so far as to say that equity valuations look dangerously high in relation to long Bund yields. But both institutions believe that now is not a bad time to buy German equities, even if there is a risk that the market will stagnate for some months.

Germany



EUROPE

Continental bourses round off week on easier note

MOST bourses eased in quiet trading yesterday, *writes Our Markets Staff.*

FRANKFURT closed the week quietly, as the DAX index declined 7.57 to 1,711.45, for a fall of 1.4 per cent on the week, while the FAZ index, calculated at midsession, eased 2.02 to 696.19, down 1.2 per cent on the week. Turnover fell to DM4.1bn from DM5.2bn.

Bayer slipped DM4 to DM296.70 following the completion of a big buy order, while Schering remained under pressure, falling DM9.80 to DM817. The holding company Altana bucked the easier trend, adding DM10 to DM690 in a narrow market.

PARIS was delayed by a technical problem just before the close. The CAC-40 index finally closed down 11.21 at 1,923.54, up 0.2 per cent on the week, in modest turnover of FFr1.9bn.

Spie-Batignolles jumped FFr25.9 or 7.5 per cent to FFr372.9 on buying by Meeschaert, a broker owned by the insurer, Axa, and by a domestic company active in arbitrage. There has been speculation that Schneider might like to sell off its stake in the ailing construction company.

Lafarge Coppée added FFr3.50 to FFr357.50 in relatively heavy volume of 303,110 shares which included two block trades totalling 65,000 shares.

Paribas dropped FFr15.60 or 3.9 per cent to FFr385.20 after news that the bank would have to make more provisions in 1992.

Euro Disney, badly hit earlier in the week by a sell note from Goldman Sachs, fell another FFr2.20 to FFr147.50.

ZURICH weakened, as higher interest rates dragged banks lower. CS Holding bearers lost SFr25 to SFr1,920 and UBS bearers shed SFr30 to SFr3,690. The market ignored a report by a research group which forecast that the economy would recover in the second half. The SMI index lost 8.3 to 1,827.3, for a 0.5 per cent decline on the week.

Roche continued to outperform the chemicals sector and its bearers gained SFr30 to SFr4,310 as investors anticipated a strong rise in profits when it reports next month.

MILAN lost early gains due to weakness in Generali. The Comit index rose just 0.77 to 497.74, for a fall of 2.7 per cent on the week, in turnover estimated at L77bn after L84.4bn.

The session opened firmer, with Fiat rising L64 to L4,774 and Pirelli up L50 at L1,265, on optimism over the company's restructuring plans. But Generali then depressed the market with a fall of L10 to L28,490.

Telecoms moved against the weaker trend with Sip gaining L6 to L1,374. Benetton, which announced a 24 per cent rise in net profit, just ahead of market expectations, gained L110 to L13,215.

Jolly Hotels fell L650 or 6.8 per cent to L8,900 after reporting a sharp fall in 1991 consolidated net profit to L384m from L17.1bn. Rinascente, the retailer controlled by the Fiat group, fell L173 to L6,470 after news of a 4.6 per cent rise in consolidated net profit.

AMSTERDAM saw intense activity in Daf and Nutricia. The food group plunged Fl 12.50 or more than 7 per cent to Fl 159.50 following disappointing results after the close on Thursday. The company forecast a slowdown in growth this year and said that earnings will be cut by competition in its dietary food sector.

Daf closed down Fl 1.80 at Fl 22.40 as investors took profits. James Capel issued a sell note, saying that the company's expectations of a recovery in the UK truck market might be optimistic.

The CBS Tendency Index fell 0.9 to 124.7, a decline of 0.8 per cent on the week. Turnover was Fl 543.9m after Fl 485m.

BRUSSELS finished weaker with the Bel-20 Index falling 3.54 to 1,187.09 for a 1.1 per cent fall on the week. There was interest in the retailing sector as both Gib and Delhaize announced results after the close. GIB fell BFr2 at BFr1,348 while Delhaize, which said it was planning a five-for-one share split, ended BFr30 lower at BFr9,150.

STOCKHOLM's property sector was firmer on strong results from Lundbergs, which saw its restricted shares advance SKr4 to SKr74, although Skanska B shares slipped SKr1 to SKr112. The Affärsvärlden General Index rose 2.8 to 1,006.9 but was down 0.2 per cent on the week. Turnover was SKr452m. Volvo B shed SKr4 to SKr426.

MADRID moved ahead, with the general index up 1.14 at 256.71 but down 0.6 per cent on the week. Union Fenix gained Pta190 or 4.4 per cent to Pta4,450 on rumours of restructuring.

ISTANBUL fell 2.2 per cent following a four-day rise. The stock market index ended at 4,129.05, down 92.98, but 3.5 per cent stronger on the week.

FT-SE Eurotrack 100 - Mar 27

Hourly changes

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1144.59	1144.53	1143.99	1142.68	1143.08	1142.74	1141.10	1140.84

Day's High 1144.95 Day's Low 1140.84

Mar 26	Mar 25	Mar 24	Mar 23	Mar 20
1148.25	1144.53	1142.88	1142.05	1153.93

Base value 1000 (26/10/90).

ASIA PACIFIC

Nikkei falls to five-year closing low

Tokyo

THE NIKKEI average fell to a new five-year closing low, as small-lot selling by companies and investment trusts depressed share prices amid thin volume, *writes Emiko Terazono in Tokyo.*

The 225-issue average closed down 248.50 at 19,636.99, the lowest since February 1987 and down 2.7 per cent on the week. The index briefly hit the day's high of 19,943.79 but fell on light selling to the day's low of 19,587.11 just before the close.

Volume remained at 180m shares. Foreign investors, who had been steady buyers during the past few weeks, were absent. A foreign broker said that the weakness in the Nikkei could prompt foreign investors to reassess their asset allocations.

Declines outnumbered advances by 678 to 278 with 154 issues unchanged. The Topix index of all first section stocks fell 18.68 to 1,428.13 and in London, the ISE/Nikkei 50 index rose 2.44 to 1,119.58.

Market participants were discouraged by comments by government officials "talking down" hopes pinned to an economic stimulus package due to be announced next week. An official of the Economic Planning Agency said that the business sector was more bearish towards the economy than actual economic conditions warranted, and Mr Tsutomu Hata, the finance minister, said long-term interest rates were declining steadily.

Mr Peter Johnson at Baring Securities said next week's announcement held critical importance in judging the government's attitude towards reviving the economy.

Rumours of financial trouble at a leading non-bank financial institution due to extensive investments in speculative issues also depressed share prices. Speculative favourites plunged on the rumours. Minebea, the most active issue of the day, fell Y44 to Y465 and Clarion plunged Y130 to Y910.

High-technology issues were lower on small-lot liquidations by institutional investors. Hitachi fell Y9 to Y780 and Matsushita Electric Industrial declined Y10 to Y1,270.

Mitsubishi Motors fell Y38 to Y612 on news that Chrysler, the US car maker had sold 43.6m shares, or half of its stake, in Mitsubishi for Y27.5bn.

Light index selling depressed Nikkei index component stocks with low liquidity. Shimura Kako fell Y100 to Y780 and Godo Shusei retreated Y130 to Y1,140.

Drug related stocks lost ground on the sharp fall of Mochida Pharmaceutical, which fell Y490 to Y3,160 on selling by short-term players. Meiji Milk Products lost Y37 to Y841 and Okamoto Industries fell Y40 to Y1,140.

In Osaka, the OSE average fell 257.47 to 21,269.03 in volume of 107.9m shares.

Roundup

ACTIVITY on the Pacific Rim was generally dull yesterday.

HONG KONG eased on some disappointing results from major companies. The Hang Seng Index closed 30.13 lower at 5,007.58 for a 0.2 per cent fall on the week. Turnover was HK$2.39bn after HK$2.57bn.

KUALA LUMPUR was unmoved by a clutch of results, preferring to wait for next Tuesday's annual central bank economic report. The composite index fell 1.56 to 602.71, little changed on the week.

SEOUL rose for a second day, as buying concentrated on shares with low price/earnings ratios. The composite index added 5.68 to 617.38, up 0.3 per cent on the week, in heavy turnover of Won643.1bn.

AUSTRALIA closed firmer, helped by better-than-expected results from BHP which rose 10 cents to A$13.32. The All Ordinaries Index gained 5.2 to 1,576.4 in turnover of A$471.6m, a 0.4 per cent rise on the week.

NEW ZEALAND recovered Thursday's decline and the NZSE-40 index closed up 22.4 to 1,412.83, for a 1.8 per cent fall on the week. Turnover remained low at NZ$16.9m. Telecom gained 5 cents to NZ$2.23 and Fletcher Challenge 7 cents to NZ$3.32.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY MARCH 26 1992								WEDNESDAY MARCH 25 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991/92 High	1991/92 Low	Year ago (approx)
Australia (69)	143.15	−0.6	123.21	121.16	123.69	124.53	−0.7	4.45	144.06	123.36	121.43	123.73	125.57	160.31	112.74	135.06
Austria (20)	173.24	+0.5	149.11	146.64	149.69	148.61	+0.2	1.94	172.37	147.59	145.30	148.05	148.48	222.37	153.86	193.87
Belgium (46)	136.96	−0.5	117.88	115.91	118.34	115.17	−0.4	5.19	137.69	117.90	116.05	118.26	115.62	151.20	118.04	138.07
Canada (115)	129.92	−0.2	111.82	109.96	112.25	111.90	−0.2	3.31	130.19	111.47	109.73	111.80	112.15	144.28	126.49	137.00
Denmark (36)	229.81	−0.6	197.80	194.51	198.57	200.56	−0.6	1.82	231.74	198.42	195.34	199.03	201.95	273.94	217.74	233.00
Finland (15)	77.96	+0.6	67.10	65.99	67.37	73.69	+0.5	1.98	77.51	66.37	65.34	66.57	73.29	125.15	73.32	117.91
France (108)	152.09	−0.4	130.90	128.72	131.40	134.45	+0.3	3.35	152.62	130.68	128.64	131.07	134.07	156.43	118.11	137.18
Germany (65)	116.89	−0.6	100.61	98.95	101.00	101.00	+0.0	2.28	117.63	100.72	99.17	101.03	101.03	125.35	94.15	105.67
Hong Kong (55)	209.40	−0.3	180.24	177.24	180.95	208.06	−0.3	3.78	210.05	179.85	177.06	180.41	208.72	210.68	119.82	151.95
Ireland (16)	157.61	−0.8	135.66	133.41	136.19	138.24	−0.4	3.70	158.93	136.09	133.97	136.50	138.84	182.46	132.88	162.09
Italy (77)	68.92	−0.8	59.32	58.33	59.55	64.41	−0.3	3.61	69.45	59.47	58.54	69.65	64.60	88.23	64.76	77.96
Japan (473)	106.61	−0.5	91.76	90.23	92.13	90.23	−0.1	0.94	107.11	91.71	90.28	92.00	90.28	146.97	104.90	135.49
Malaysia (68)	242.08	−1.2	208.37	204.89	209.17	241.29	−0.8	2.62	245.12	209.88	206.61	210.52	243.15	250.18	189.15	234.17
Mexico (18)	1761.25	+1.6	1515.94	1490.73	1521.84	5930.07	+1.8	0.95	1733.76	1484.52	1461.43	1489.07	5828.02	1789.77	534.45	789.94
Netherland (31)	148.91	−0.6	128.17	126.04	128.67	127.20	+0.0	4.35	149.86	128.32	126.32	128.71	127.15	156.48	125.70	137.53
New Zealand (14)	43.20	−1.8	37.18	36.57	37.33	41.65	−2.0	6.59	44.01	37.68	37.10	37.80	42.51	54.64	41.18	45.27
Norway (24)	169.04	−0.3	145.49	143.08	146.06	149.14	−0.3	1.71	169.58	145.20	142.95	145.65	149.55	223.24	157.08	195.75
Singapore (38)	205.75	−0.8	177.09	174.15	177.78	157.01	−0.8	2.19	206.92	177.17	174.42	177.71	157.91	228.43	151.63	194.56
South Africa (61)	227.14	−0.5	195.50	192.25	196.26	177.63	−0.5	2.83	228.20	195.39	192.36	195.99	178.46	271.99	173.00	198.02
Spain (51)	151.02	+0.4	129.98	127.83	130.49	119.84	+0.7	5.01	150.41	128.78	126.78	129.18	119.01	171.12	131.51	160.18
Sweden (25)	187.11	−1.7	161.05	158.37	161.66	166.89	−1.1	2.80	190.37	163.01	160.47	163.51	168.67	204.12	146.60	166.93
Switzerland (59)	98.22	−0.8	84.54	83.14	84.88	92.28	+0.2	2.24	98.98	84.75	83.44	85.02	92.06	104.22	82.17	92.81
United Kingdom (233)	170.09	−0.2	146.40	143.95	146.96	146.40	+0.3	5.09	170.33	145.89	143.61	146.32	145.89	187.44	156.27	172.31
USA (523)	166.62	+0.0	143.41	141.03	143.98	166.62	+0.0	2.94	166.65	142.69	140.48	143.13	166.65	171.66	125.95	152.05
Europe (808)	140.74	−0.4	121.14	119.13	121.62	122.07	+0.2	3.99	141.28	120.97	119.09	121.35	121.86	151.52	125.60	138.17
Nordic (100)	172.85	−1.1	148.78	146.30	149.36	147.19	−0.8	2.23	174.81	149.68	147.35	150.14	148.30	200.81	155.55	180.84
Pacific Basin (717)	111.26	−0.5	95.76	94.17	96.14	94.64	−0.1	1.53	111.81	95.74	94.25	96.03	94.76	145.92	109.69	135.65
Euro – Pacific (1525)	123.29	−0.4	106.12	104.35	106.53	106.19	+0.0	2.54	123.84	106.04	104.38	106.35	106.18	147.66	121.29	137.02
North America (638)	164.30	+0.0	141.42	139.08	141.99	162.90	+0.0	2.95	164.35	140.72	138.55	141.16	162.94	169.69	125.91	151.03
Europe Ex. UK (575)	122.53	−0.5	105.46	103.73	105.90	107.73	+0.0	3.23	123.18	105.47	103.85	105.82	107.67	129.80	103.58	117.51
Pacific Ex. Japan (244)	157.20	−0.6	135.31	133.06	135.85	139.60	−0.6	3.86	158.19	135.45	133.37	135.66	140.53	158.33	111.40	136.68
World Ex. US (1719)	125.75	−0.4	108.23	106.44	108.66	108.33	+0.0	2.56	126.26	108.11	106.44	108.45	108.52	148.16	122.32	138.01
World Ex. UK (2009)	135.58	−0.3	116.69	114.76	117.16	124.41	+0.0	2.43	135.98	116.39	114.59	116.78	124.46	150.69	120.06	138.73
World Ex. So. Af. (2181)	138.01	−0.2	118.79	116.83	119.26	128.03	+0.0	2.71	138.36	118.47	116.64	118.84	128.02	153.05	122.92	141.37
World Ex. Japan (1769)	156.74	−0.2	134.91	132.68	135.46	147.28	+0.0	3.34	157.01	134.44	132.36	134.88	147.25	161.90	126.69	146.34
The World Index (2242)	138.58	−0.3	119.28	117.30	119.76	126.49	+0.0	2.71	138.95	118.96	117.12	119.34	126.48	153.70	123.28	141.71

Amendments to indices for 23/3, 24/3 and 25/3 applied to Japan, related regional indices and The World Index. For further information please contact FT Statistics (Tel: 071 873 4007). Constituent change with effect 30/3/92: Deletion: Steeley (UK). Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BRITISH FUNDS

[illegible]

BRITISH FUNDS - Cont.

[illegible]

BRITISH FUNDS - Cont.

[illegible]

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1991/92 high	1991/92 low	Yield Int.	Yield Red.
African Dev 11¼ 2010		108	−½	111½	95⅞	10.78	10.31
Asian Dev 10¼ pc 2009		101	−⅛	105½	91⅞	10.33	10.12
B'ham 11½ pc 2012		103¼	−½	108½	100½	11.33	11.04
Ireland Cap 8½ pc '10		91	—	99¼	88½	9.30	–
9pc Cap 1996		92¼	—	98¼	92	9.17	–
13pc '97-02		106¼	—	113½	106½	11.38	–
Hydro Quebec 15pc 2011		131	−½	137½	120	11.8	10.89
Int-Am Dev 12½ pc 2003		113	−½	118	105	11.09	10.36
9¾ pc 2015		96	−⅛	101	86⅞	10.27	10.17
Leeds 13½ pc 2006		116¼	−½	118½	110½	11.69	11.19
Liverpool 3½ pc Irred		31	+½	31¼	28	11.67	–
LCC 3pc '20 Aft		27	+½	28	26	11.11	–
Manchester 11½ pc 2007		103½	−½	107¼	97½	11.27	11.01
Met. Wtr 3pc 'B'		64	+½	66	62	4.77	9.93
N'wide Anglia 3⅞ pc 2021		104	+½	106¼	102	–	5.60
4⅛ pc IL 2024		104	+½	107¼	103½	–	5.32
Utd Mex States 16½ pc 2008		122	—	128	101	13.53	13.18

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or -	1991/92 high	low	Mkt Cap £m	Yld Gr's
Abbott Labs		35⅝xd	−[illegible]	38[illegible]	20⅞	15,160	1.9
Allegheny & W		327p	—	385p	218p	189.9	5.2
Amdahl		886p	+11	1158p	667p	1,894	0.6
Amer Cyanamid		35½	−[illegible]	42⅛	25⅜	3,310	2.4
Amer Express		13⅞xd	+[illegible]	17⅞	9¾	6,527	4.1
Amer T & T		23[illegible]xd	−[illegible]	24½	15¾	38,777	3.2
Ameritech		33¼	+⅛	38⅞	32½	14,558	6.0
BankAmerica		28[illegible]xd	+⅛	28⅝	12[illegible]	5,865	2.6
Bankers NY		32½xd	−⅛	39[illegible]	20[illegible]	2,670	8.4
Bell Atlantic		24¼	−¼	30½	24	9,538	5.6
BellSouth		25⅝	—	31¼	25	12,429	6.1
Bethlehem Steel		9⅜xd	+⅛	11¼	6[illegible]	665.9	—
Bowater		1586pxd	−4	1839p	1042p	541.7	4.5
CPC		49⅝xd	−⅛	54[illegible]	37[illegible]	3,751	2.7
California Engy		712p	—	938p	420p	129.6	—
Campbell Soup	h	21⅜	+⅛	23	14⅛	5,373	1.8
Chase Manhattan		14xd	+[illegible]	14[illegible]	5[illegible]	1,903	4.8
Chrysler		18¼xd	+[illegible]	10⅝	5⅜	2,986	3.3
Citicorp		16xd	+⅛	10⅞	4⅝	3,435	—
Colgate-Palm		28½xd	−[illegible]	28[illegible]	21[illegible]	4,144	2.1
Cont l Bank		982p	—	997p	438p	992.3	3.4
Dana		22¾xd	+⅛	23⅛	13⅝	985.1	4.0
Data General		990p	+6	1262p	203p	184.2	—
Deal		22¼xd	+[illegible]	24⅛	7⅞	903.3	2.8
Dun & Brad		32⅞	−⅛	39½	20¼	6,866	3.7
Eaton		44	+½	45½	24¼	1,488	2.8
Echlin		10⅝xd	—	11	9½	683.4	3.7
FPL		19[illegible]xd	+[illegible]	20⅛	14[illegible]	3,294	7.0
Fluor		23⅝xd	—	30[illegible]	17[illegible]	1,916	1.0
Ford Motor		22[illegible]xd	+[illegible]	22[illegible]	13	10,858	2.5
Gen Elect		44[illegible]xd	−[illegible]	46[illegible]	28[illegible]	38,617	2.6
General Host		538p	—	698p	270p	—	3.7
[illegible]							

CANADIANS

[illegible]

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

[illegible]

BUSINESS SERVICES

[illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

CONTRACTING & CONSTRUCTION - Cont.

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ELECTRONICS

[illegible]

ENGINEERING - AEROSPACE

[illegible]

ENGINEERING - GENERAL

[illegible]

ENGINEERING - GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

[illegible]

HEALTH & HOUSEHOLD

[illegible]

HOTELS & LEISURE

[illegible]

INSURANCE BROKERS

[illegible]

INSURANCE COMPOSITE

[illegible]

INSURANCE LIFE

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS - Cont.

[illegible]

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

MERCHANT BANKS - Cont.

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

MEDIA

MERCHANT BANKS

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Top Stock"
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- § Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- ◆ Merger bid or reorganisation in progress
- $ Forecast dividend yield; p/e based on earnings updated by latest interim statement
- ◆ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1280 a year for each security shown, subject to the Editor's discretion

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FINANCIAL TIMES
Weekend March 28/March 29 1992

Union attacks proposal to shed up to 4,000 workers over 15-year period

Shell plans North Sea job cuts

By Juliet Sychrava

SHELL UK plans to shed up to 4,000 North Sea jobs by the end of the decade, as it replaces old production platforms with more modern ones which will require fewer staff.

The company said yesterday it would cut 40 per cent of its offshore workforce and 25 per cent of North Sea jobs onshore by the year 2000. Only negligible profits could be made in the North Sea, Shell said.

Between 2,000 and 4,000 jobs will go, as the company reviews all of its 32 platforms.

The cuts angered union officials. Mr Roger Lyons, general-secretary-elect of the Manufacturing Science and Finance Union, which represents offshore workers, said: "Shell is rushing this announcement through before the general election without any consultation. Shell clearly fears a Labour victory on April 9 will force them to consult on their plans as happens in every other civilised country."

Mr Chris Fay, managing director of Shell Exploration and Production (Shell Expo), said he was "flabbergasted" that news of the cuts threatened to cause a pre-election storm. "I was surprised such a big issue could be made of what is an evolutionary process," he said.

Jobs would go because the company had to cut costs on its older, more expensive platforms, which were only marginally profitable, he said.

Reports of the cuts emerged after Mr Fay told visitors to the new Gannet oil platform earlier this week that it would have a crew of less than 40, compared with 200 on older platforms.

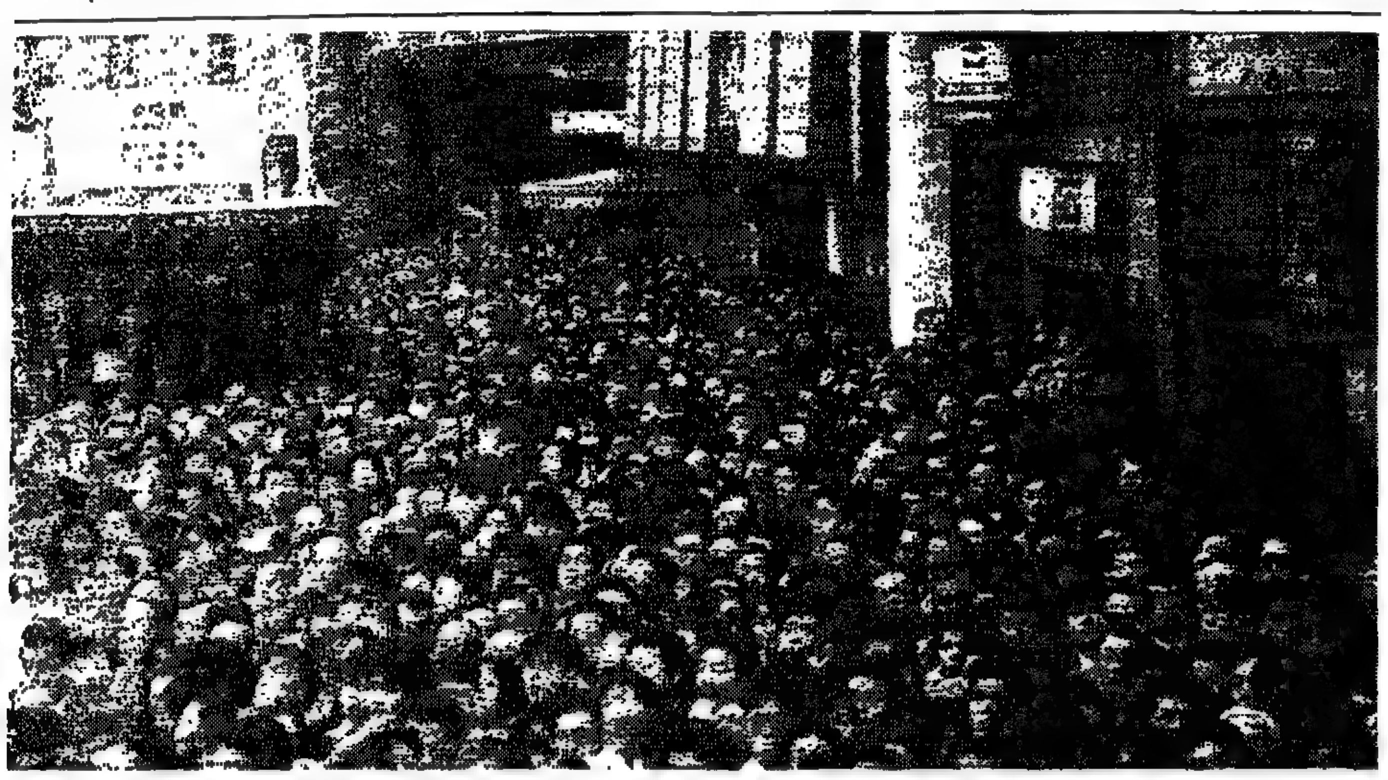
But he stressed yesterday this did not necessarily lead to 4,000 job losses. Although he confirmed the percentage size of the planned cuts in offshore and onshore workforces, he said the bulk of its 8,700 offshore staff are already contractors, many of whom work only half time.

Cuts were more likely to be between 2,000 and 4,000 over a 10 to 15-year period with most of the losses coming towards the end of the decade. Only about 400 jobs would be lost this year and a similar figure next year.

Mr Fay also said Shell would be creating many new jobs as development of the North Sea continued. These would help offset the losses.

The main reason for the cuts, Mr Fay said, was that there were few large oilfields left to develop. "People should recognise the increasing marginality of the North Sea," he said.

This meant Shell had to cut its costs, he said. Cuts of £150m to £180m were planned for 1992, from a total operating cost of £900m. Only a small percentage of the cuts would be job losses.



Slow going: commuters crowd on a street near Ikebukuro station, Tokyo, during a 24-hour national rail strike in Japan

Boost planned for Japan's economy

By Stefan Wagstyl in Tokyo

JAPAN is to introduce a package of measures next week in an effort to boost the economy and revive flagging business sentiment.

The package, due to be announced by ministers on Tuesday, is expected to bring forward planned public works spending.

Speculation in Tokyo intensified yesterday that the package would be followed by a further cut in the official discount rate from the current 4.5 per cent.

The public works plans would bring forward to the first half of the 1992-93 financial year – which starts in April – 75 per cent of the capital spending planned for the whole 12 months.

Government officials acknowledge that bringing forward such a large part of the programme would create a hole in the budget later in the year which could only be filled by a supplementary budget.

Economists said the government's immediate proposals would make a modest contribution to boosting growth, though the effects would not be apparent until later this year.

However, the measures would have little impact on business confidence unless they were accompanied by an unexpectedly large reduction in the official discount rate of 1 percentage point or more.

This seems unlikely – investors in the stock market have resigned themselves to a cut of only 0.5 points, the same as the Bank of Japan's previous three reductions. The Nikkei index yesterday fell 248 points to 19,636.99 – a new five-year low.

Mr Susumu Taketomi, chief economist at the Industrial Bank of Japan, said: "The government's package will be helpful but it will not be all-powerful. The cumulative effect of interest rate cuts will create room for future recovery but will take time."

Aside from the government, big public and semi-public institutions also plan to advance part of their investment programme. They include Nippon Telegraph and Telephone, which is Japan's biggest company, and electric power generating groups.

Other measures in the package could include proposals for the Japan Development Bank, a state-owned bank which makes low-cost loans, to increase its funding and special measures for the hard-pressed house-building industry.

Further evidence of the economic slowdown came yesterday with the publication of figures showing that industrial production fell in February by 4.2 per cent compared with the same month last year.

The Ministry of International Trade and Industry forecast that industrial output for the financial year ending in March would be down by 0.6 per cent – the first decline since 1986.

High tax payers scramble

Continued from Page 1

eign banks say they would not relocate if Labour came to power but one said the idea of a Labour victory was "too awful a prospect to contemplate". Dresdner Bank said moving out of London would be "unthinkable" while Citibank said it was "unlikely".

Nor is there any hard evidence that foreign investors are delaying or cancelling their investment plans. Development agency officials, who handle foreign investment inquiries, say it is "business as usual" and that there has been no change in the level of inquiries.

For individuals, the safest way of avoiding British tax involves removing oneself as well as one's money. Mr Keith Kerruish, chartered surveyor and partner in Chrystals Royal Life Estates in the Isle of Man, estimates between 20 and 30 people may have moved to the island in anticipation of a Labour government.

In recent weeks, leading figures in the entertainment business such as composer Andrew Lloyd Webber and rock star Phil Collins have declared that higher tax rates as pledged by Labour could cause them to emigrate. Their view is in the musical tradition of the Beatles, who satirically sang, at a time of a 95 per cent top rate: "If 5 per cent appears too small, be thankful I don't take it all. Coz I'm the taxman and you're working for no-one but me."

Reporting by David Barchard, Jimmy Burns, Philip Coggan, Scheherazade Daneshkhu, Andrew Jack, Ian Rodger, Sue Stuart and Paul Taylor

Tory campaign discontent

Continued from Page 1

polls in the Sunday newspapers.

Evidence of new thinking in the Tory camp came at yesterday's morning press briefing when a new attack on Labour's tax plans, was replaced by a more "positive" presentation of his personal political philosophy.

Last night, Mr John Major began a new fight for the high ground in the campaign in a speech to Conservatives in the Labour stronghold of Pontypridd.

Outlining a vision of the UK's role under a Tory government in shaping a new, wider Europe of nation states, he said: "I do not believe any other party could build it. This golden chance might slip away unless we can raise people's imagination."

Party strategists said last night that they would now hammer the message that only the Conservatives could deliver a sound economic recovery.

Mr Kinnock, meanwhile, attempted to steer Labour's campaign away from the two-day row over its party broadcast.

In a presentation, backed by a group of doctors, he stressed Labour's opposition to the "Americanisation" of the NHS and repeated its manifesto pledge of £1bn in new health funding.

Reports are growing of disquiet among Tory activists at the lack of impetus in the campaign. Among them Mrs Margaret Thatcher, the former prime minister, and Mr Brendan Bruce, the party's former communications director, are hinting that the party should project its message with more "clarity and conviction".

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Rises			
Altana Ind	690	+	10
Falls			
Asko Prf	695	−	8
Daimler-Benz	754.3	−	4.2
Douglas Hldg	680	−	10
Rosenthal	295	−	6
Schering	817	−	9.8
New York ($)			
Falls			
Atlas Research	11¼	−	2¼
Digital Equip	53¾	−	2
Handex Environ	14	−	7½
Household Intl	46⅜	−	9⅝
Intel	53¾	−	5
Microsoft	119¾	−	5¼
New York prices at 12.30pm			
Paris (FFrs)			
Rises			
Geophysique	644	+	14
Spie Batignolles	372.9	+	25.9
Falls			
Auxil Entrepr	1006	−	34
Coparex	605	−	47
Paribas	385.2	−	15.6
Skis Rossignol	766	−	24
Tokyo (Yen)			
Rises			
Chugai Mining	269	+	19
Falls			
Clarion	910	−	130
Daito Wool	1060	−	170
Fuji	500	−	80
Mochida Pharm	3160	−	490
Shimura Kako	790	−	100
London (Pence)			
Rises			
British Borneo	123	−	7
Cakebread A	31	+	5
Macallan-Glen	177	+	25
Proteus	295	+	26
Thompson Clive	98	+	5
Trafalgar Hse	127	+	3
Falls			
Aukett Assoc	17	−	4
Automated Sec	39	−	11
Barclays	322	−	[illegible]
Beckenham	8½	−	2½
Bucknall	13	−	8
Cable & Wire	529	−	19
Cardiff Prop	185	−	13
Glaxo	783	−	18
Kynoch (G&G)	41	−	3
Lonrho	87	−	8
Lucas Inds	119	−	6
Marks&Spencer	289	−	8
Medeva	286	−	13
P & O Dfd	426	−	13
Rothmans B	1008	−	31
Royal Bk Scot	164	−	10
Speyhawk	11	−	2
Travis Perkins	190	−	13

World Weather

UK today: dry and bright, if cloudy. Cloud and rain will edge east during the day, reaching the south-east in the afternoon as light showers. **Outlook:** remaining unsettled in most areas, with more rain and showers.

		°C	°F																
				Cairo	S	26	84	Inverness	F	5	41	Milan	F	11	52	Salzburg	F	4	39
Ajaccio	F	11	52	Cape Town	F	20	68	Isle of Man	F	6	43	Montreal †	R	4	39	S'Francisco †	C	13	56
Algiers	F	13	55	Cardiff	F	7	45	Istanbul	S	21	70	Moscow	C	4	39	Seoul	S	19	66
Amsterdam	C	8	46	Chicago †	S	-3	27	Jersey	F	7	45	Munich	F	4	39	Singapore	F	32	90
Athens	C	16	61	Cologne	C	9	48	Johannesburg	F	23	73	Nairobi	S	30	86	Stockholm	F	5	41
Bahrain	S	19	66	Copenhagen	C	5	41	Las Palmas	F	19	66	Naples	C	13	55	Strasbourg	F	9	48
Barcelona	F	14	57	Corfu	F	15	59	Leeds	[illegible]	5	41	Nassau		–	–	Sydney	C	23	73
Beijing	S	16	61	Dallas †	S	13	55	Lisbon	[illegible]	14	57	Newcastle	C	4	39	Tangier	F	15	59
Belfast	C	7	45	Dublin	[illegible]	7	46	Locarno	S	12	54	New Delhi	S	28	82	Tel Aviv	S	25	77
Belgrade	S	18	64	Dubrovnik		–	–	London	R	7	45	New York †	C	8	46	Tenerife	F	19	66
Berlin	F	5	41	Edinburgh	F	6	43	Los Angeles †	R	14	57	Nice	F	8	46	Tokyo	C	10	50
Biarritz	C	7	45	Faro	F	16	61	Luxembourg	C	5	41	Nicosia	S	21	70	Toronto †	R	3	37
Birmingham	C	8	[illegible]	Florence	F	11	52	Madeira	S	18	64	Oporto	F	13	55	Tunis	R	10	50
Blackpool	F	5	41	Frankfurt	C	9	48	Madrid	C	9	48	Oslo	F	8	46	Valencia	[illegible]	14	57
Bombay	S	36	97	Geneva	F	9	48	Majorca	F	9	48	Paris	R	7	45	Vancouver †	S	6	43
Bordeaux	R	9	42	Gibraltar	F	[illegible]	61	Malaga	F	17	63	Perth	S	24	75	Venice	S	12	54
Boulogne	C	7	45	Glasgow	F	8	46	Malta	F	13	55	Prague	Sn	1	34	Vienna	F	8	46
Bristol	F	8	46	Guernsey	C	7	45	Manchester	C	5	41	Reykjavik	R	6	43	Warsaw	C	16	61
Brussels	C	8	[illegible]	Helsinki	F	1	34	Melbourne	C	13	55	Rhodes	F	18	64	Washington †	C	8	46
Budapest	C	6	43	Hong Kong	C	[illegible]	64	Mexico City		–	–	Rio d'Janeiro		–	–	Wellington	S	17	63
Buenos Aires		–	–	Innsbruck	S	[illegible]	48	Miami †	S	16	61	Rome	T	10	50	Zurich	F	7	45

Temperatures at midday yesterday † Noon GMT temperatures C – Cloudy Dr – Drizzle F – Fair Fg – Fog H – Hail R – Rain S – Sunny Sl – Sleet Sn – Snow T – Thunder

THE LEX COLUMN

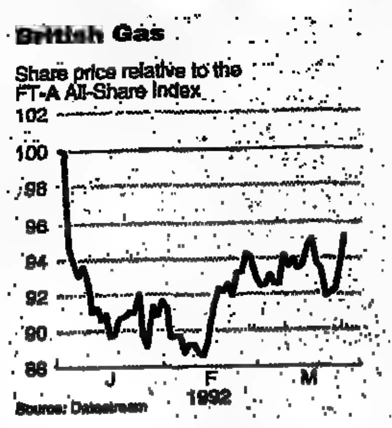
Poll paralysis hits shares

Were it not for the election, equities might be discounting a modest recovery. The latest Confederation of British Industry survey suggests a slight improvement in manufacturers' order books. Companies like Booker and United Newspapers have muttered vaguely positive things about current trading when reporting their results. The trade figures revealed buoyant imports of capital goods. But it makes no sense for equities to take this on board before the election.

The conventional wisdom is that ERM membership means the UK's long-term economic prospects will be little different whoever wins. However, the short-run ride could be rough if a Tory defeat forced an interest rate rise. The impact on consumer confidence of higher mortgage rates would defer the recovery, probably until 1993. Meanwhile government borrowing would soar.

One temptation for Mr John Smith might be devaluation, but, to keep inflation down, that would need an accompanying squeeze on government spending. Amid the uncertainty the equity market is inevitably inclined to head lower. One consolation is that the more a Tory defeat is discounted in advance, the less of a shock there will be if it happens. Another is that stocks with large US exposure like RTZ and Siebe still seem able to ride out the storm.

FT-SE Index: 2447.9 (-24.3)



Heron

Just when banks thought they might have seen the last of the large problem borrowers, two more have popped out of the woodwork. Even though its worries revolve around London's Canary Wharf, Olympia & York is more a problem for Canadian and US lenders. Heron International's difficulties strike closer to home, which explains why shares in Barclays shed nearly 4 per cent yesterday. Signs are Heron will also be a particularly difficult case for its bankers.

The company is at pains to stress that it has ample liquidity. But the proceeds of recent disposals, including both service stations and Spanish property, should more than cover interest on the group's £1.3bn debt. So its restructuring request implies a distinctly gloomy view of the ability of its recession-bound UK property, home-building and car sales divisions to generate enough cash to stem the outflow from its loss-making US interests.

Finding a solution will be all the harder because it requires the co-operation of investors in Heron's £350m-worth of Swiss franc bonds. Bank lenders to Brent Walker know how difficult it is to enlist the collaboration of bond investors in a rescheduling. Swiss bond investors require anonymity and rarely display much social conscience in debt work-outs. Their market is thus a particularly tough nut to crack, as borrowers like Costa Rica and the Bond Corporation have already found. On top of that comes the need to unravel a plethora of interest rate and currency swaps. The rescheduling is likely to take the sort of time which Heron and its bankers can ill afford.

Paribas

At least Paribas does not appear greatly exposed to Olympia & York. That is small comfort, though, following yesterday's pessimistic warning from chairman André Levy-Lang that the French investment bank's provisions will be hefty again in 1992. The damage this time, in large part due to worries about the French and UK property markets, will not be on the scale of last year's FFr9.5bn hit. That included FFr2.8bn of special provisions for the Swiss unit, mainly to cover Maxwell and risky Swiss real estate loans. The 4 per cent slide in Paribas shares yesterday reflected disappointed hopes of a meaningful fall in the underlying figure this year.

Since the apparent abandonment of the time-honoured French tradition of income smoothing as part of the new management's clean-up campaign, the Paribas numbers have become notoriously hard to predict. All indications suggest that French loan demand is weak and competition for deposits will intensify, though leasing and syndicated loan margins have started to look healthier.

The key to the shares, on the other hand, will probably be the industrial portfolio, notably Ciments Français/Poliet which is strongly geared to a US upturn. In retrospect, the cement restructuring move was rather unhappily timed, though as with Suez the Paribas assets now have a more cyclical feel. The question for long-term investors is whether they want to be in either sprawling conglomerate, or whether they should leave the shares to traders and build up their own portfolio.

British Gas

Relations between British Gas and its regulator have been strained for a while now, so the market has grown used to their robust exchanges of views. Hence in part its calm response to what appeared an intemperate outburst from Ofgas in response to Thursday's news that Gas intends merely to freeze, rather than cut, prices for domestic consumers.

Equally, this close to the election shares in utilities are bound to react more to the polls than to evidence that the regulator may be back on the warpath. Gas has already suffered more from regulatory intervention than any of its peers, so it is in relatively little danger from political change.

On a more general level, the price freeze raises the question of how Gas might fare in a period of sustained low inflation. It seems logical that its present price formula of 5 percentage points below inflation will become increasingly punitive as the retail price index falls. Unless it succeeds in its campaign to re-cast the formula, Gas will presumably have to accelerate job cuts in order to meet the target. Its shares will continue to yield well above the market average because Gas will show slower than average dividend growth. Their present prospective yield of nearly 8 per cent suggests they are already discounting that conventional thinking.

But Gas has defied such expectations before, and could do so in future depending on the success of its nascent exploration activity. Even if its scope for dividend growth is only marginally greater than the market view assumes, its shares should interest investors brave enough to be looking for value ahead of the election.

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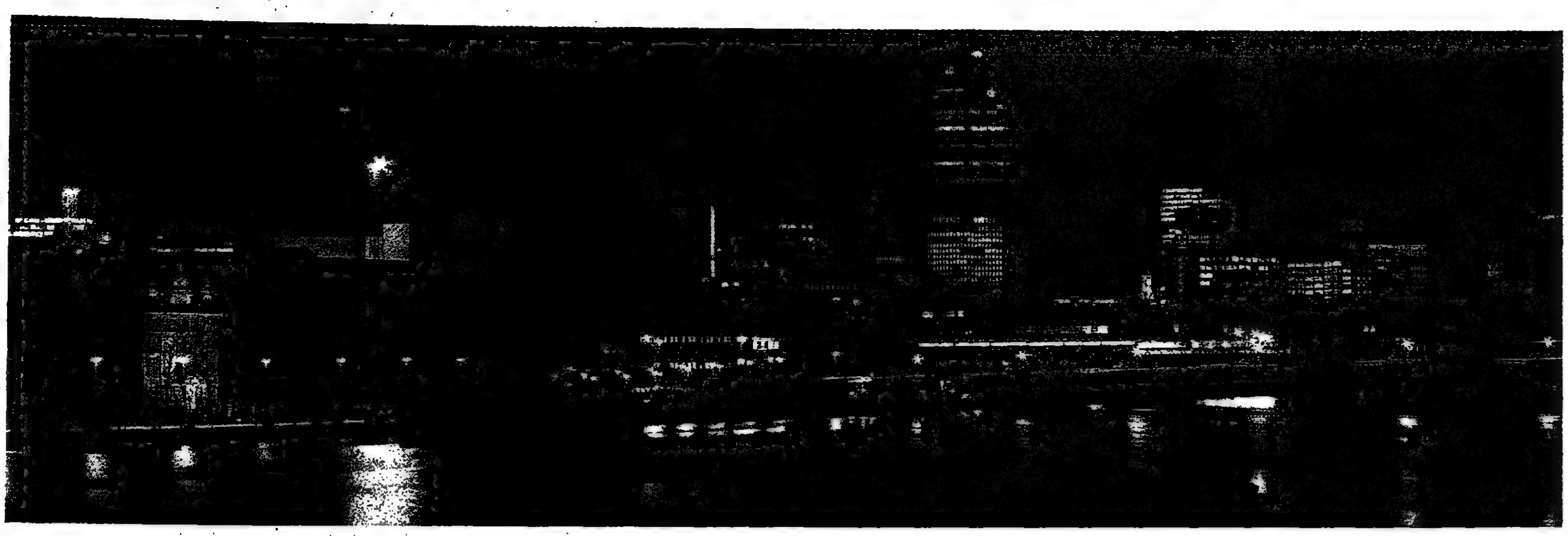
Weekend FT

SECTION II

Weekend March 28/March 29 1992



London: the city that lost its way

But is Britain's capital facing a crisis? Ian Hargreaves finds strong disagreement on what should be done

LONDON IS in crisis. That is what it says on the cover of a new book by architect Sir Richard Rogers and Mark Fisher, the Labour Party's spokesman on the arts. They are not alone in their view.

"The quality of life is improving for the majority of people, but there's a minority for whom it's going the other way. You have two Londons, side by side. It breeds discontent." So says Sir Peter Imbert, commissioner of the Metropolitan Police, whose officers patrol the cardboard cities of Waterloo, Charing Cross, Lincoln's Inn Fields and a score of other spots where London's homeless shelter.

Or, as the London *Evening Standard's* planning correspondent put it the other day, Londoners must endure "transport crumbling and squalid; dereliction and destitution stare them in the face." A London Weekend Television survey conducted in the autumn of 1990 – before the recession set in – found that 59 per cent of Londoners thought the quality of life had got worse in the past 10 years. Almost half said that, given the chance, they would live somewhere else.

Perhaps it was always so. London has inspired elation, frustration and despair in broadly equal quantities. On Westminster Bridge, Wordsworth's spirits soared. As T.S. Eliot watched commuters flow over London Bridge, he wondered that death had undone so many. William Blake, driven by poverty and visions, walked "where the chartered Thames doth flow" to "mark in every human face, marks of weakness marks of woe." Today, his words are inscribed on a concrete paving slab on the south bank of the river, opposite the Strand, where the poet made his last London home.

But when James Boswell romanced about his country seat in Scotland, Dr Samuel Johnson instructed him, famously, that the man tired of London is tired of life. Nomadic Henry James detested the stench and the fogs but experienced in London "the most possible form of life."

Perhaps it is just that Londoners always have required their city to accommodate the spectrum of their emotional life and political sensibilities. And yet, as London entered the 1990s there was a pervasive anxiety, reflected in a renewed outbreak of schism about the way it is governed and not helped by the longest recession since the war, the fruits of which have included a spectacular property crash and a series of financial scandals which have damaged the engine of the city's prosperity.

The most famous London novel of the past decade, Martin Amis's *London Fields*, is set in a wasteland of gridlocked traffic, mechanical sex and barbarian moral values. If Amis is Tom Wolfe without the compensating exuberance, so London sometimes seems to have New York's problems without its zest for life.

When statisticians try to plot these anxieties, they come up with items like these: reported crime up 11 per cent last year, with mugging up a fifth; registered homeless more than doubled in a decade; 250,000 properties "difficult to let" because they are in such poor condition; a clogged road system, cutting central London traffic speeds by 15 per cent in little more than a decade; and public transport underperforming on every measure.

There are those who think the problems can be blamed on Margaret Thatcher's heroic anti-planning, anti-interventionist political culture, the monument to which is east London's Docklands, developed luxuriantly in a boom but now mauled by recession and blighted by elementary failures of infrastructure provision. It was also Thatcher who, in 1986, abolished the Greater London Council, a bragging citadel of town hall socialism; not even the Labour Party campaigns for its return.

The Rogers-Fisher book calls for a strong planning regime for the capital, along Parisian lines. Everyone, it seems, prefers Paris. Europe, Rogers argues, is again becoming a continent of city states and London, the only capital without a metropolitan government, is mired in mediocrity.

But it is not only from the left that a torrent of tracts has poured. From the London Chamber of Commerce has come a series of thick, buff books worrying about the collapse of the capital's manufacturing base, its patchy record on training and its shell-shocked public education system.

WEEKEND LONDON SPECIAL ISSUE

"People haven't thought enough about the challenge to London from other European cities," says Jacqueline Ginnane, the chamber's chief economist, "but there is no doubt that the lack of government is weakening London's identity."

Probably the most ambitious attempt to gauge the capital's difficulties is the *London: World City* report published last year by the London Planning Advisory Committee, a rump agency with just 22 staff based in Romford – a dowdy borough on the city's eastern fringe. The committee is all that remains of the GLC planning juggernaut and is run on a tight leash by London's 33 borough councils. Its report seeks to rank London's performance against Paris, New York, Tokyo, Frankfurt and Berlin.

Although the study notes the capital's formidable strength in financial services, telecommunications and air transport, as well as its sometimes under-remarked environmental assets – only Berlin has more parkland – it concludes gingerly that "somewhere along the line, London appears to have lost direction and a sense of its worth."

The committee's "agenda for action" includes better links between business and education; dramatically-improved transport; more co-ordinated training; more housing for the lower paid; and a promotional agency for London, designed, no doubt, to avoid revisiting the sort of debacle which made Manchester Britain's bidder to host the Olympics. But the proposal that dare not quite speak its name is concealed in this sentence: "Current institutional arrangements are unsatisfactory and the world city initiatives of other cities all indicate that a serious review of, and some changes to, current arrangements are desirable."

This is a masterpiece of draftsmanship from a body with members including high-Tory Westminster, still-loony-after-all-these-years Lambeth, the rich but archaic City of London Corporation, sensible Labour boroughs, and resolutely suburban Tory strongholds like Croydon.

Behind the report lies the fact that the capital's political, business and cultural establishment agrees, very largely, on what needs to be done – better transport, housing and "a voice for London." But it disagrees violently about the best form of government to achieve these things.

Rogers, whose vision includes burying miles of London roads inside tunnels in order to open up new squares and parks at the city's heart, says: "I would like to see a new partnership between business, politics and citizens. Market forces aren't sufficient – our big slabs of glass are a direct response to market forces." To which shopkeeper and restaurateur Sir Terence Conran adds, gazing from the balcony of his Thames-side offices at Butler's Wharf: "The concept of an organisation on this scale without a board of management is ridiculous, But I would love it to be non-political."

A similar thought seems to have motivated the Confederation of British Industry, which has proposed that London be overseen by a giant development agency made up of business leaders and others appointed by the Environment Secretary.

This debate has now taken its place in the general election campaign. Labour has made the running by proposing a directly-elected Greater London Authority, with only supervisory responsibility for transport, planning, economic development, policing, fire services, environment, promotion, arts and culture. The GLA, it is promised, would be much nimbler than the GLC; it could have proportional representation and professional councillors. Labour also wants to strip the Corporation of London of its local government powers. The corporation's crime appears to be that it is too rich, too obscure in its democratic procedures, and an impediment to the broader reforming purpose.

The City's defenders say it provides the best services in London, essential to nurturing the international financial community. Critics say the only reason it can remove rubbish from Cheapside, a main commercial thoroughfare, five times a day, when other parts of London can scarcely remember when last they saw a cleaning truck, is because it is privileged financially.

The Conservative prescription is to formalise existing arrangements whereby, in effect, central government is London's strategic governing body. In future, there would be a cabinet sub-committee for London, with the Environment Secretary in the chair and a junior minister for London public transport at his right hand. A promotional agency also is proposed.

Londoners will know soon which of these two approaches they are to experience. The polling evidence suggests they desire "a voice for London" strongly, but Labour's poor electoral record in London in the past 10 years also makes

Continued on Page XI

The Long View / Barry Riley
Canary that could not fly

THE TIME-HONOURED justification for investing in land is that "they ain't making it any more." But when it comes to *developed property the supply* is not always so restricted. Right now "they" have made far too much of it.

This week the world's biggest speculative real estate developer, Olympia & York, has been forced to begin restructuring its debt of some \$20bn, which is nearly \$1,000 for every citizen of Canada, the company's base. As the saying goes, if you cannot repay \$1,000 it is *your* problem, but if you cannot repay \$20bn then it is the bankers' problem. The next step is that it becomes the politicians' problem.

In Britain, especially, there has been a colossal mistake over property. London is, of course, the site of Olympia & York's most spectacular white elephant at Canary Wharf, the flashing tower of which is tantalisingly visible from the City, but frustratingly hard to reach. *Quite apart from that East End folly the* City has an office vacancy rate of some 20 per cent. Empty blocks loom everywhere, including one near the *Financial Times. There is said to be 30m square* feet of vacant office space in central London.

Never mind, you might say, even if money is lost on such ventures, at least the over-investment in commercial property could be put to good use. With vast quantities of cheap, high quality space available the City ought to be able to prosper mightily, given that in the past its high accommodation costs have proved a serious competitive handicap.

But having made one appalling mistake the property industry is intent on making another. Most City businesses are locked into long leases of up to 25 years on which rents can never go down. True, new tenants can shop around for bargains but, even so, many developers are unwilling to drop their asking rents to the market clearing level. The rent, multiplied according to a formula, sets the value of the building. In many cases to accept the going rate would be to admit bankruptcy, so it can seem better to both the developer and his bankers to leave the property empty and pretend that a market recovery is just around the corner. The way things are going, a vast amount of *space could remain empty for years.*

Property crashes are nothing new, and there was an example almost as bad in London in the mid-1970s. But that took place in an inflationary environment. Interest rates peaked at about 15 per cent but inflation at one stage reached 27 per cent. Those property companies that survived the immediate crisis found that interest rates had fallen into single figures and they could wait for rents and values to recover.

Today's situation is quite different. Interest rates are in double figures even though inflation is only 4 per cent; in fact, rental inflation is strongly negative, at about minus 10 per cent over the past year for office space, nationally, and perhaps minus 25 per cent in the City of London. Capital values have fallen even faster. If your liabilities are rolling up at 10 to 15 per cent a year and your assets are declining at similar (or worse) rates you cannot stay solvent very long, at any rate if you are as dependent on bank finance as the typical property developer is.

Banks in Britain have a relatively small liability to Olympia & York, but total UK banking lending to the property sector has reached £40bn, having *quadrupled inside 5 years. The total* appears to have stabilised, but the quality of this lending must be deteriorating all the time. How can the banks ever *get their money back? Property is* highly illiquid, as millions of home owners know to their cost; forced sales could send values crashing further.

The property disaster happened because banks financed a large number of different projects without having proper regard for the overcapacity that was being generated; the banks also failed to understand the risks they were taking in financing aggressive entrepreneurs.

Furthermore the banks were too complacent about the eventual demand for completed and let property from long-term investors. Pension funds, for instance, used to be big investors in real estate: in 1979 the average fund had 22 per cent of its assets in UK property. But only a few of the biggest pension *funds now own a lot of property. The* typical fund has just 3 or 4 per cent of its portfolio in commercial real estate. Nor is this likely to change, unless property values reach giveaway levels.

According to a survey by Godwins, the pension consultants, 89 per cent of investment managers see growth in share prices over the next year, and 82 per cent expect gilts to go up, but only 35 per cent feel the same way about property.

Still, there was a certain amount of bargain hunting last year by UK institutions, which invested probably about £2.5bn – a modest sum indeed by the standards of the overhang of bank finance.

With the market opened up, property has become much riskier. As far as the investment institutions are concerned commercial property has become vastly downgraded as an investment over the past 25 years or so.

Once, a prime quality office block was regarded as an inflation-proof asset in a market where an artificial scarcity was maintained by planners: rental yields of 4 or 5 per cent were accepted.

It is different now, with sterling in a low-inflation currency bloc, and the market glutted. There is nervous talk of "crossover" with gilt-edged yields on the grounds that for the foreseeable future a property investment will carry a fixed income, and some risk on top. An average yield of just over 9 per cent has not quite reached gilt levels, however.

The property collapse is a postscript to Thatcherism: private sector entrepreneurs celebrated new freedoms without *realising that higher risks required* more prudent financing arrangements. A post-Thatcherite government may have to pick up the pieces, if only as *cheap office space for civil servants.*

WEEKEND LONDON – CONTENTS

FINANCE AND THE FAMILY

London markets

Whatever happened to the wall of money?

By Peter Martin, Financial editor

MONDAY WAS one of those days when even the most swashbuckling equity investor suddenly sees the attractions of a building society pass-book. The FT-SE index dipped below its level of nearly five years ago, closing at 2,441.0, two points below the last decade's peak in July 1987.

If you had switched from big-company shares to cash four and a bit years ago, you would have been able to buy back into the stock market this week more cheaply than when you left it – having enjoyed double the FT-SE's yield in the meantime, and missing out on a few heart-stopping crashes, *mini-crashes and false dawns* on the way.

The argument is even more compelling if you look at the *wider market, reflected in the* FT-Actuaries All-Share index. It is now under 1,200 – well below its peak in July 1987, *and not far off the level at* which it was selling on the day of the last general election.

Looked at purely in terms of *stock market performance,* therefore, the outgoing government's record is at best flat, at *worst a serious disappointment.*

One reason, of course, is that the heady equity market of the summer *of 1987 stemmed* partly from the belief that a "wall of Japanese money" was waiting to hit the UK stock market once a *Conservative* election victory was assured. Even at the time, that seemed a pretty shaky argument; now, *the most it deserves is a hollow* laugh.

Bubbles apart, the deeper reason for the equity market's *poor performance since* 1987 is the same as the basic argument for buying equities: they represent the most direct way *of participating in the* long-term growth of the economy. If there is no long-term growth, the case for equities is *much diminished.*

In the fourth quarter of 1988 the UK's gross domestic product was 0.6 per cent lower than *it had been in the* corresponding period three years before. Between the third quarter of 1987, when equities reached *their short-lived peak*, and the last three months of 1991, the UK economy has grown at a compound annual rate of 0.9 per cent.

Under the circumstances, the performance of the stock market *is scarcely surprising.*

Those years of slow average growth are partly an arithmetical illusion: they consist of *seven quarters of rapid expan*sion followed by six quarters of recession.

Similarly, the outlook for *growth over the life of the next* parliament hangs in part on how long the recession continues. On that, good news: "The recession has about run its course," said Gavyn Davies of Goldman, Sachs, this week, illustrating his point with the charts alongside.

Retail sales volume is trending up, and labour force statistics are heading, broadly, in the same direction: the stage is set for growth to resume.

On Wednesday, two businessmen close to consumer trends – Kingfisher's Geoffrey Mulcahy and Sir Lawrie Barratt, the newly returned chairman of Barratt Developments – *took opposing tacks on the* issue. Mulcahy said his retailing chains had received "no significant indication of any upturn in consumer confidence". Sir Lawrie said that a slow recovery had begun in the UK. This should continue, he said, irrespective of the outcome of the election, provided interest rates did not rise by more than two percentage points.

Sir Lawrie was not the only person with post-election interest *rates on his mind.* Throughout the week, short-term interest rates stayed high, reflecting concern that an incoming *Labour government might* have to raise base rate to protect the pound.

There was some ostentatious calming of the money market by the Bank of England on Tuesday, but at the end of the week three month interest rates were stuck at around 10.6 per cent, more than a quarter-point clear of the 10½ per cent base rate.

Still, a post-election wall of pessimism may prove as illusory as 1987's wall of money.

One big institutional investor argued this week that the market would probably go up after the election regardless of the result – as long as the vote produced a clear winner.

To find out which politician is a winner the market will have to wait for another 12 days. It seems to have taken rather less time to decide on one of 1992's big losers: the award goes, by an overwhelming vote, to Tiny Rowland, of Lonrho.

There were ominous signs at the Lonrho agm that even his perennial supporters among small investors may now have developed second thoughts. The shares closed the week at 87p, down another 15p – partly influenced, no doubt, by reports that Lords Hanson and White have given *Lonrho* the once-over and backed away shaking their heads ruefully.

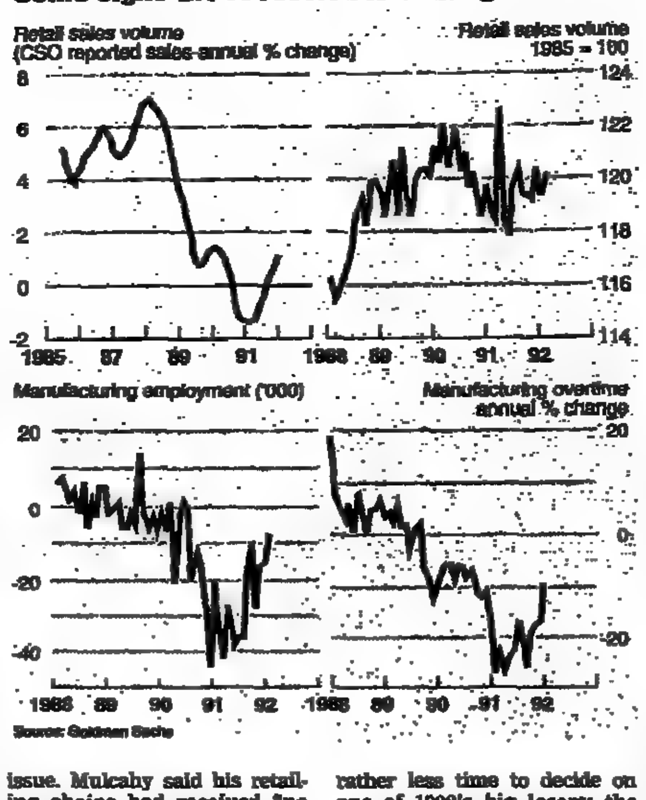
It is hard not to sympathise *with Tiny Rowland. Who else* would have had the wit to respond to institutional pressure to unlock shareholder value by choosing Colonel Gadaffi as a suitable partner?

Selling Libya a minority stake in Lonrho's Metropole hotel subsidiary is the stock-market equivalent of telling critics: "Don't touch me or I'll shoot myself".

If institutional shareholders keep up the pressure, we can presumably expect to find Cuba a co-investor in Lonrho's sugar plantations and Saddam Hussein taking a minority stake in Western Platinum.

As an investment medium, the building society pass-book may have its investment attractions. But for pure amusement, the stock market wins hands down.

Some signs the recession is coming to an end



HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991/92 High	1991/92 Low	
FT-SE 100 Index	2447.9	-8.7	2679.6	2054.8	Political uncertainty
Argos	245	-12	299	242	Lower profits
British Land	185	-17	275	185	Lack of support
British Steel	65	-8½	79½	64	Dividend worries
Burmah Castrol	533	+44	543	460	Positive results
Guinness	577	+19	625	506	Warren Buffett confirms stake
Harland Simon	79	-52	855	79	Profits warning
Kingfisher	480	+14	558	438	Profits above expectations
Lonrho	87	-15	180	85	Concern over hotel deal
Morrison (Wm)	334	+22	337	250	Good results and scrip issue
SmithKline Bchm A	845	-32	977½	641	Heavy selling in US
Steetley	388	+17	402	326	Redland gains control
United Newspapers	376	+22	379	323	Results at top end of forecasts
Wellcome	1020	+71	1174	942	Analysts raise Fcsts/positive results
Wessex Water	398	+30	421	366	Waste disposal joint venture

Serious Money

In the black under the red menace

By Philip Coggan, Personal Finance Editor

IF OPINION polls are a reliable guide, then there seems to be a fighting chance that Labour will form the next government, if only with Liberal support.

After 13 years of Conservative rule, many may be suddenly panicking about what a Labour government will do to their savings. Savers really fall into two categories.

Those retired and living off their savings will only be affected by John Smith's alternative budget if their investment income is over £40,000. (Of course, they may well suffer in later years if Labour has to increase taxes to finance its spending plans.)

The main difficulties will be faced by those saving while in high-paid employment. First, the abolition of the 9 per cent national insurance threshold, and the new top rate of 50 per cent, will reduce their net income – and thus their ability to save. Secondly, those on over £40,000 a year will find that savings income will be taxed at 50 per cent. They will be very lucky, after inflation, to see any real return at all.

What should such people do to reduce the tax burden on their savings? Many will be tempted to break the law and hide their money offshore; however, there are plenty of legal ways of cutting tax bills.

The first principle may well be to *emphasise capital gains* rather than income. Given the fact that many Britons keep the bulk of their savings in the building society, and that only 165,000 paid CGT last year, it seems likely that few make use of their current CGT threshold.

Labour repeated this week that it would not be lowering the CGT threshold to £1,000, as Tory-supporting newspapers have been suggesting. Margaret Beckett, a Treasury spokeswoman said that the CGT exemption would be indexed for inflation and the *top rate* would be 40 per cent.

In the longer term, the plan seems to be that the threshold would come down, however, *probably to the* level of the personal income tax allowance (which would be £3,625 under Labour in 1992-93). This would be part of a reform in which capital gains were taxed on a sliding scale, with lower rates for long term holders. (A good idea in theory, but in *practice*, one suspects, a bonanza for accountants).

The upshot is that, in the short term, *capital gains* under Labour will be taxed at a lower top rate (40 per cent) and with a higher starting threshold than income.

The second principle is deferment. If you are really saving for the long term, then you do not need to take return in the form of income. The snag with building society interest is that, even if you only let it roll up in your account, it is still taxed as if you had received every penny. Any investment that defers the return is a good deal, provided your own, or the country's, taxes will be lower then.

The third principle will be tax efficiency. Transferring money between spouses could save a great deal of tax if one is paying 50 per cent on investment income and the other 25 *per cent.*

Which investments could achieve these objectives? Individuals needing specific recom*mendations would do best* to consult an independent (and ideally fee-charging) adviser, but here are some suggestions:

Low risk

■ Tessas offer tax-free income if held for five years. A husband and wife who have not already opened Tessas could put in £6,000 this year; those who started in 1991 can add a further £3,600.

■ National savings certificates. The 36th issue offers 8.5 per cent tax free for a *top rate* Labour taxpayer. The fifth index-linked issue offers 4.5 per cent plus inflation. Both need to be held for five years to achieve quoted returns. Husband and wife can put £40,000 in total in these issues; more if held in trust.

■ Index-linked gilts. Most of the return comes as tax-free *capital* gain. The current real yields of 4 per cent (assuming 5 per cent inflation), will still be 3 per cent real after tax.

All *the above* can be realised reasonably quickly with small risk of capital loss (though loss of investment return), which *could be* important if Labour's taxes require you to eat in to your savings.

Medium risk

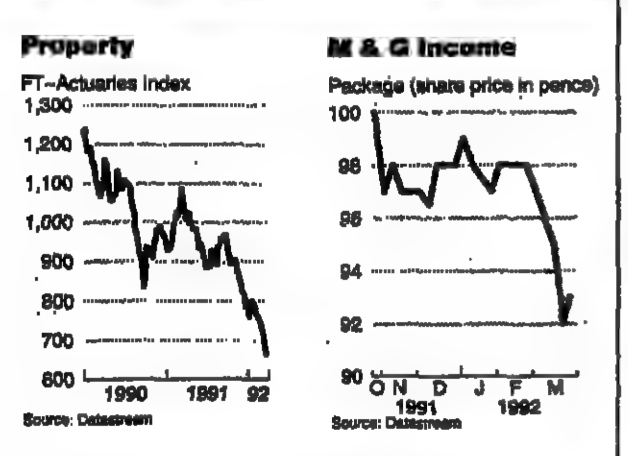
■ *Offshore* roll-up funds. These funds allow you to accumulate income, which is only taxed when realised. There is a risk, however, *that Labour could* find some way of withdrawing this privilege.

■ Zero coupon shares of investment trusts. *These offer* steady growth till maturity and profits are treated as capital gain for tax purposes. There is a risk, however, that they will not be repaid in full, if markets or the trust's managers perform badly.

High risk

■ Personal equity plans. Many readers seem dissatisfied with their PEPs to date. But if the top rate is 50 per cent, the tax benefit/charges equation should look better. Labour says it has no plans to abolish PEPs immediately, so it might be worth waiting and letting the market fall after a Labour victory *before investing. The risk* of capital loss is obviously there, especially if you cash in your plan early. Up to £6,000 can be placed in a general PEP (this will include both unit and investment trusts in 1992-93) and £3,000 in a single company PEP in a tax year (see page V).

AT A GLANCE



Property still gloomy

The news this week of the financial difficulties which have hit Olympia & York, the world's biggest property developer, did nothing to help the ailing fortunes of shares in the UK property sector.

These have been in decline for three years with only a false hope that a recovery might be underway bolstering the sector about a year ago.

Both residential and commercial property have been badly hit by the recession with little prospect of an upturn in the near future.

Most quoted property companies have a large exposure to London offices which have suffered particularly sharp falls in value. A surge in building work at the end of the 1980s has created a large oversupply of office space.

M & G offer closes

The offer for the M & G Recovery Trust has now closed, with widespread expectations that it will not have raised as much as the £246m the group raised for its Income Trust last year. The share price of that trust, which was largely bought by investors for its high yield, has drifted down to around 92p since issue.

Trust sales exceed purchases

Investors sold more unit trusts than they bought in February, with sales exceeding purchases by £30m. Gross sales for the month, at £569.6m, were less than half the figure for the same month last year. The Unit Trust Association blamed election uncertainty for the lack of investor interest.

Orchard rates change

Midland Bank is making changes to the rates on its Orchard current account. The lower interest rate payable on balances below £500 is being abolished. From April 21, the 1.5 per cent gross band (1.1 per cent net) is being replaced by the top rate of 3 per cent gross (2.25 per cent net). At the same time, the monthly fee for agreed overdrafts rises from £5 to £7, and for other overdrafts from £10 to £15.

Midland recently announced lower rates on its savings accounts, including the Exchequer, Meridian savings, Saver Plus, Orchard Savings and HICA.

Its Tessa is now paying 10 per cent, reduced from 10.25 per cent.

Co-op cheque changes

The Co-operative Bank has been quick off the mark in responding to the Cheques Act, a private member's bill which became law almost a fortnight ago. This has made it impossible for cheques which have "account payee only" written on them to be diverted to a third party.From next month, customers of the Co-op bank will be issued with cheques which have the words "or order" replaced by "only" at the end of the payee line.

The cheques will be crossed "account payee" and will be printed on special forgery-proof water-marked paper.

Wall Street

$500m typing error that moved the market

THE FIRST week of spring should be a time of rejuvenation, an opportunity to embrace the new season with enthusiasm. Not in New York, where four inches of snow last week persuaded almost everyone, *Wall Street's investors* included, to remain in hibernation.

It says something about the dullness of the week that the main, indeed only, excitement on the stock markets was generated by a clerical error – admittedly one of impressive proportions.

The blunder was committed late on Wednesday by a clerk at Salomon Brothers, the beleaguered Wall Street securities house that must be wondering if fate has anything else in store, so accident-prone has been the last year.

The unfortunate clerk's mistake was simple. The repercussions were anything but. He mistook a customer's order to sell $11m of shares as an order to sell 11m shares – a much bigger trade, and one that could move the market. The *error might have been spotted* if the order had been executed the old-fashioned way, with the broker telephoning the marketmaker on the exchange floor. The Salomon order, however, was for a computerised program trade. As soon as the clerk pressed the button on his terminal at 3.58pm the block of 11m shares began to be automatically sold by the Stock Exchange's computer.

The impact was dramatic. In the final two minutes of the day's trading, a 12-point gain on the Dow Jones industrial average was wiped out. When the closing bell rang, the index showed a net decline of 1.57 points. The near 14-point turnaround was the biggest move in share prices during an unusually quiet week.

It could have been a lot worse. Salomon traders spotted the mistake while the computers were selling millions of dollars of smaller shares. They halted the trade before some of the biggest stocks in the order were reached. Even though Salomon managed to salvage something from the mess – the firm says it quickly "neutralised" the trade by some fancy footwork in the derivatives markets – the fuss will take longer to die down.

Opponents of computer program trading have wasted no time in using the Salomon blunder as ammunition in their fight to persuade regulators to impose tougher restrictions on computer trading. Program trading is already proscribed when the market rises or falls beyond a certain limit, a rule introduced after the October 1987 crash to prevent computer trading of large blocks of shares from exacerbating market volatility.

Wednesday's debacle led a range of "experts" to raise a bigger issue in the press and on television: how Wall Street uses its latest trading technology, the development of which some critics believe may have outstripped peoples' ability to control it.

They are missing the point. No amount of regulation or hi-tech wizardry can prevent a clerk from misreading "$11m" as "11m shares" and acting accordingly. The foul-up at Salomon was the result of human error. Yet, more importantly, it was also because of a failure of internal control systems at in the firm's trading department.

Salomon needed a safety system to catch big orders and ensure their verification before execution. The most worrying aspect of the affair was not the power of computer technology in financial markets, but the fact that a clerk could initiate a sale of 11m shares, worth as much as $500m, without senior colleagues knowing what he was doing.

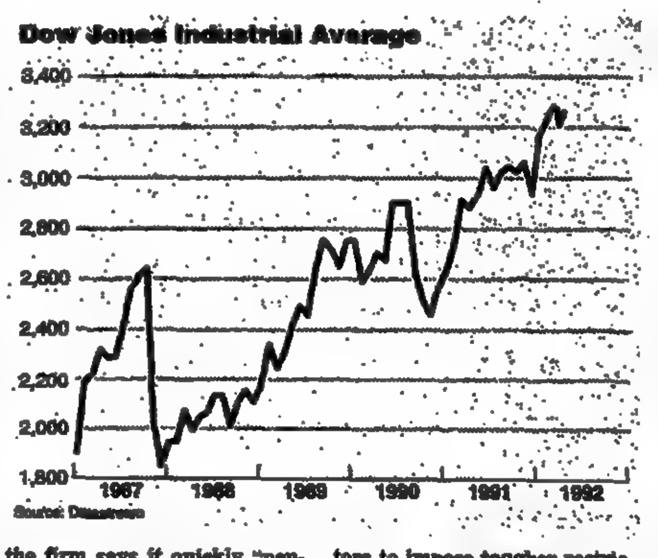
Aside from Wednesday's trading glitch, the week was quiet. New York's investors and traders would have better spent their time frolicking in the spring snow on Vermont's ski slopes, so uninspiring was trading.

The little news on the economy proved mixed. On the debit side there was another rise in weekly jobless claims, a poor set of mid-March car sales and a small decline in February durable goods. The good news came from the housing market. Existing home sales rose sharply last month to a three-year high, and construction contracts, both residential and commercial, also advanced handsomely in February. The conclusion: the recession is probably over, but the recovery looks as if it will be both shallow and slow.

Patrick Harverson

Monday	3272.14	– 4.25
Tuesday	3260.96	– 11.18
Wednesday	3259.39	– 1.57
Thursday	3267.67	+ 8.28
Friday		

Dow Jones Industrial Average



The Bottom Line

Cautious societies are building solid profits

TIMES MAY be bad in the mortgage market, but those headlines about a few building societies in trouble may not be the best pointer to what is happening in the industry.

Most large building societies emerged from the results season with increased profits and strong capital ratios. Only a few large societies – Alliance & Leicester was the chief example – suffered substantial falls in pre-tax profits. Those that increased profits did so in spite of a huge increase in their bad debt provisions.

Last Tuesday's profit figures from *Halifax*, the largest *UK* building society, are a case in point. Pre-tax profits went up by 6 per cent to £628m. This was achieved despite a jump in bad debt provisions from £107m in 1990 to £229m.

This was far from being the industry's best performance. Cheltenham & Gloucester, the sixth largest society, reported a *27 per cent increase, from £144.7m to £183.8m,* in pre-tax profits in spite of a rise in bad debt charges from £20.5m in 1990 to £108.4m.

Some societies based outside the south east did even better. Profits rose 29 per cent at Northern Rock to £54.5m.

Those societies whose profits plunged seem to have been punished for straying from their tradition core business. The real problems at Alliance & Leicester, where profits were halved after bad debt provisions of £215m, came from its large portfolio of commercial lending, a market from which it has withdrawn.

The same was true at Skipton, a medium-sized society regarded until now as one of the industry's stars. Even its competitors were discomfitted to watch its profits plunge 64 per cent in 1991 to £11.5m. But £15m of its £23m bad debt provisions were for commercial lending. It too has stopped lending in that market.

Similar points could be made about those societies which have been forced to merge after making a loss. The casualties of the last few years, Town & Country, Leamington Spa, Lancastrian, Cheshunt, and Portsmouth were also societies which *experimented* with risky forms of lending, such as "non-status" lending to people without a guaranteed income, and in some cases failed to insure their risks property.

This suggests that societies which stick to their knitting on their property lending (losses on estate agency, credit cards and the like are embarrassing but affordable) can be trusted *not to go the way of the US* savings and loans associations.

Set against the results of the "Big Four" clearing banks, those from Abbey National (now a PLC and a bank but still operating in the building societies' market) and Halifax look very healthy. *They made* pre-tax larger profits that every bank but Lloyds in 1991.

So why did the typical building society do so well in such a miserable market? Anyone who has been reading the personal finance pages of the newspapers over the last year should have a good idea.

Societies were quietly cunning as interest rates fell, manipulating their products and deliberately mis-matching their rates between savers and borrowers, old *customers* and new. The savings accounts in which old customers were trapped at a lower rate of interest are a good example of the techniques employed.

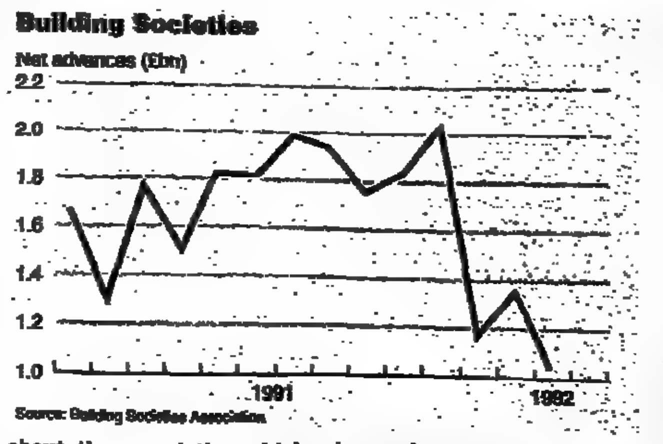
Overall this sort of balance sheet management is probably to be welcomed rather than frowned on. Everyone knows that the difference between saving and borrowing rates widens when interest rates are falling. After 1988 the societies narrowed the margin between lending and savings rates to an unprecedented extent. They are holding prevailing interest rates for borrowers at 10.95 per cent, within half a percentage point of the banks' base rate of 10.5 per cent.

If societies had been prevented by law from widening their margins, they would certainly have had to pass the cost on to their customers as higher interest rates and the housing market would have fared even worse.

The endurance test for the societies is not over yet. The housing market is even worse than it was a year ago, and after the election if *Labour* wins, we could see a further house-price plunge. At the moment, the large societies look well-capitalised and equipped to deal with anything short of an extraordinary disaster in the market.

David Barchard

Building Societies



FINANCE AND THE FAMILY

Tories or Labour – what the dealers think

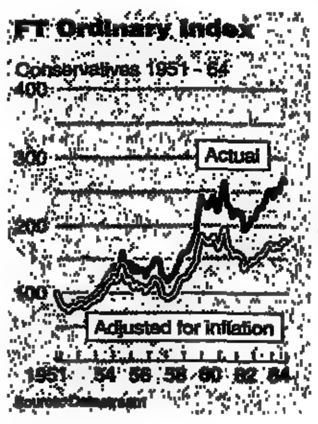
***Philip Coggan, John Authers and Scheherazade Daneshkhu** sample the mood of the City in the run-up to the April 9 general election*

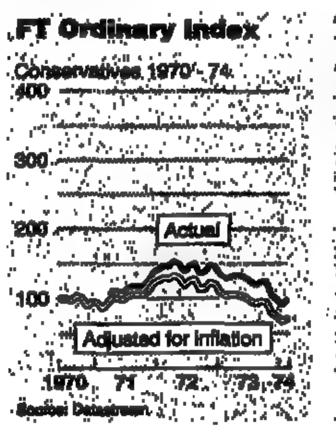
STOCKBROKERS always look forward to Conservative governments and the performance of share prices has usually, although not always, borne out their confidence.

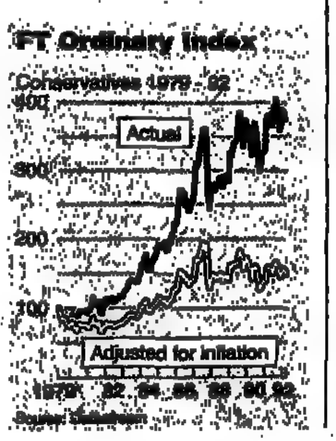
As the graphs show, the two periods of 13-year Tory rule both saw substantial real and nominal gains for the FT-30 index. But the Heath government of 1970-74 – which presided over the Barber boom, the secondary banking crisis, the three-day week and the quadrupling of oil prices – resulted in a fall in the index in inflation-adjusted terms.

CONSERVATIVES

The graphs flatter the Conservatives slightly since they have had much longer periods than Labour in which to display gains. There were big bull runs, in nominal terms, under the Labour government of 1974-79.







Whatever the historical record, though, there is little doubt that the markets would like to see a Conservative victory in this election.

Bob Semple, equity strategist at County-NatWest, says a Tory triumph would restore the missing factor of confidence to the UK economy, with GDP growth in the second quarter. Meanwhile economic growth in the US, the prospect of lower interest rates in Europe and low inflation in the UK would form a good background for share prices.

Semple sees the FT-SE 100 index reaching 3,000 by the end of the year should the Tories win. He says base rates should fall to 9.5 per cent and long gilt yields to 8.5 per cent.

Bill Smith, an equity analyst at Barclays de Zoete Wedd, also sees the release of pent-up consumer demand as an important consequence of a Tory victory. That would be good for housing-related stocks. He also feels utility shares, which have been depressed by fears of Labour re-regulation, would benefit swiftly from John Major's return to office. He expects that Footsie would be around 2,900 by end-1992 under the Conservatives.

Smith says a re-elected government probably would move sterling into the narrow band of the Exchange Rate Mechanism; that should reduce the "risk premium" attached to sterling in the minds of international investors. As a consequence, base rates should fall to 9-9.5 per cent by the year-end.

P.C.

WE ARE already seeing how the City would react to a hung parliament. Analysts, fund managers and dealers believe this to be the most likely election outcome, and so they are trying to build this into the market.

Share prices have accordingly gone down.

A hung parliament is easily

HUNG PARLIAMENT

the City's least favoured option, mainly because it would bring destabilising uncertainty in its wake.

However not all the "bad news" is yet in the price. Dealers are taking up defensive positions – which generally means giving themselves as much exposure to the US and other international markets as possible.

Economists now believe that America should come out of recession first, and it also provides a good place to shelter from the sterling crisis which is expected if the Tories do not win. Base rates may be forced up as the minority government seeks to defend the pound.

Opinions vary on the precise permutation of a hung parliament. Some think that a Labour coalition with the Liberal Democrats would emerge following the minimum of horse-trading. This would be worse for equities than a Labour government.

Mark Walton, equity strategist with James Capel, says that this could lead to the market "tracking sideways" between 2200 and 2400 for a year or more. This compares with a Capel forecast of 2750 by the end of 1992 under a solid Labour government.

This is not particularly due to uncertainty. Walton points out that the Lib Dems have pledged to put a penny on income tax. He said: "The Lib Dems would want some form of say on the first budget of the Labour government, so you might expect to see a couple of changes made to the shadow budget."

It is the other concessions the Lib Dems might extract which really worry the City. If a form of proportional representation were adopted, and the Conservatives maintained their attitude to making deals, then there might never be another Tory government, according to Walton. This would be sufficient to depress sentiment.

Another popular version is that there would be no clear outcome, followed by another election by the end of the year. This is the nightmare scenario.

Investment decisions would be postponed, and with them any recovery. International stocks would have a great time, but no others would.

Andrew Gregory, investment director of Kleinwort Benson private bank, sees this as the worst possible case, which would probably limit the FT-SE to around 2400 (compared to 2850 by the end of the year under Labour, and 3200 under the the Conservatives).

Mark Brown, of UBS Phillips & Drew, sees a level of 2350 as being defensible for the FT-SE in any situation. Unlike Walton, he prefers a minority Labour government with Lib Dem support to a Labour majority because the immediate economic impact on confidence should be much muted.

Brown counsels caution in buying, even though on most standard fundamental measures the market seems generously valued. Walton disagrees, suggesting that the average yield of 5.6 per cent which would be available if the market disliked the election result is excellent value.

J.A.

THIRTEEN years of Tory rule, and the sweeping changes in the former Eastern bloc, have led the Labour party to tone down its commitment to socialism. Thus, City houses such as James Capel and Warburgs now agree that the macroeconomic differences between Labour and the Conservatives are so narrow that the longer-term effect on the markets of a Kinnock government would not be as great as

LABOUR

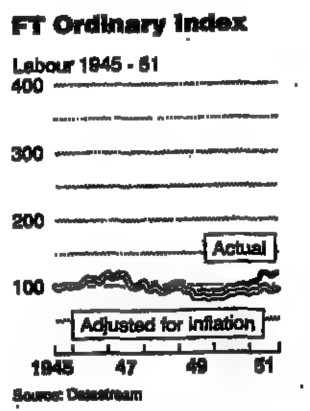
many investors might think.

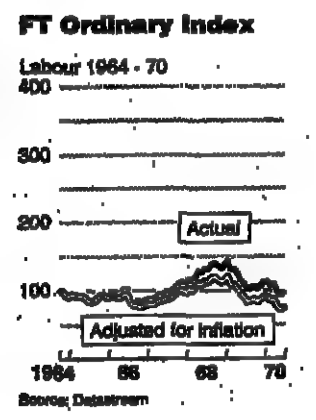
For one thing, Labour has said it is committed to the ERM, which would act as a brake on inflation. Warburg says residual fears of increased inflation due to the introduction of a minimum wage have receded because Labour has indicated this would not be introduced until 1993.

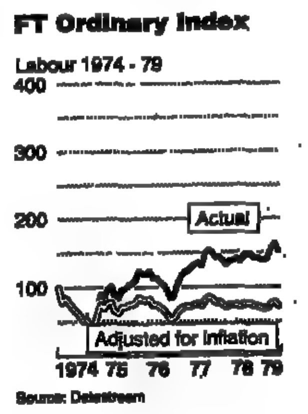
Kevin Gardiner, UK economist at Warburg, says of a Labour victory: "The downside for the market would be modest." He predicts the FT-SE 100 index would fall to about 2,400 initially, but would rally later in the year to around 2,900. Capel also predicts an initial fall by Footsie, to 2,200-2,300, and a recovery by the end of the year, to 2,750. Both emphasise that these predictions depend on Labour honouring its commitment to the ERM, and to the economic recovery being under way.

Gardiner thinks a Labour victory would see interest rates increasing by a point to calm the fears of the foreign exchange markets, but dropping below present levels by the end of the year as confidence in sterling rises. As for gilts, he thinks yields would fall slowly to about 9¼ per cent by the end of the year, compared with 8¾ per cent under a Conservative government. Both he and Capel expect inflation to be higher under Labour, but not substantially so. Indeed, Gardiner feels it would be puts it at only a maximum of half a ½ percentage point higher than under the Conservatives.The graphs show it is possible for stock markets to perform well under Labour. They fell heavily when Labour was returned in 1974 although equities had recovered by the time the Conservatives took over in 1979. But the effect of inflation meant that returns were down in real terms, as they were during the Wilson Labour government.

S.D.







The strange case of the frozen chickens

*Last year complaints to the insurance ombudsman rose 64%. **John Authers** gives advice on making a fuss*

IF YOU feel like complaining about insurance companies, you are not alone.

The insurance ombudsman disclosed in his annual report this week, that he had to handle 4,334 cases last year – a rise of 64 per cent.

Meanwhile 13,899 people made inquiries in writing and 26,048 by phone.

In two thirds of cases, the insurance company's decision was upheld, and the report includes examples of dishonest claims. But 32 per cent of the time, policyholders were awarded money. A total of £5m was awarded, ranging from £500,000 (over the unusual case of a disputed death benefit on a life policy) to two awards of £5.

The ombudsman's scheme includes more than 340 companies, and is used as the complaints resolution mechanism by Lautro, the life assurance and unit trust regulator.

How should you go about complaining if you have an insurance problem? The ombudsman's office should be regarded as a destination of last resort. Your complaint must first have been referred to the senior management of your insurer, which must be given an opportunity to resolve the complaint.

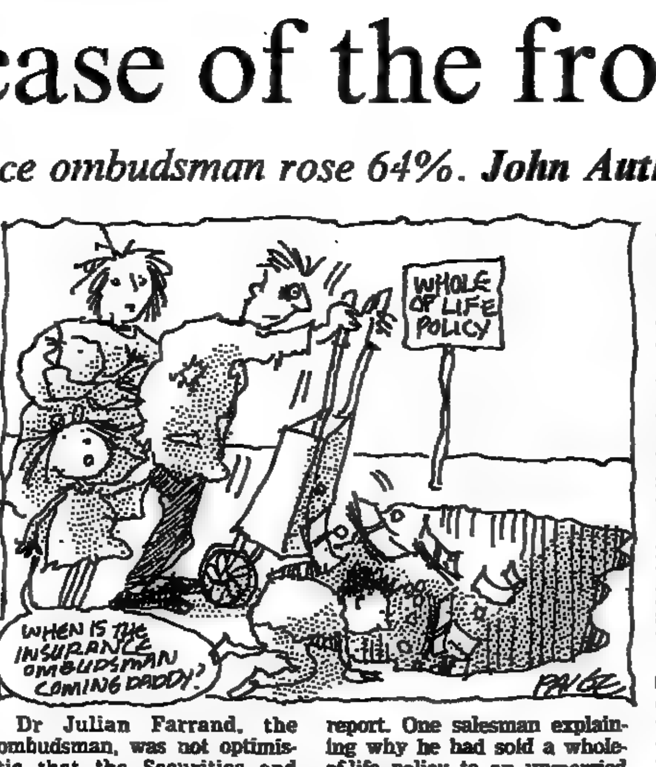
Once you have received a final judgment from the company, you must contact the ombudsman within six months. It is also important that the matter concerns you personally (not someone else's policy) and that your policy or contract was issued in the UK, Isle of Man or Channel Islands.

The ombudsman *will not* step in if the complaint is already the subject of legal proceedings or arbitration, or if it concerns a policy in the name of companies or partnerships rather than individual people. You cannot complain to him about commercial risks, or levels of premiums. Importantly, given the volume of letters to the *Weekend FT* which this area generates, complaints about surrender values, bonuses and rates of return on life policies are also off-limits.

If your problem passes all these tests, write to the ombudsman. You will then be asked to fill in a form, and provide relevant documents (you will, deservedly, be scuppered if you have not bothered to keep them).

There is no charge and you do not need legal or other professional representation. Should you employ a solicitor, it will be at your own cost.

The ombudsman has wide powers to command the insurers to produce information, and can hold investigations. The average case takes four months and 24 days to clear up. The chief virtue of the scheme is that it is cheaper and quicker than going to court. This tends to be longer in financial services disputes where there are allegations of mis-selling by salesmen – a common problem.



Dr Julian Farrand, the ombudsman, was not optimistic that the Securities and Investments Board's proposals on disclosure and the publishing of "key features" documents about products would significantly cut complaints about life assurance and investment products.

He welcomed the suggestion that sales representatives should be forced to write to clients explaining exactly why they had recommended one product rather than another. By the end of this year, this could be a legal requirement, and would provide an extra defence when policies have been wrongly sold.

This might clamp down on some of the outrageous selling tactics mentioned in the report. One salesman explaining why he had sold a whole-of-life policy to an unmarried 18-year-old with no children, who wanted to save, said: "The reason I did not attempt to sell a Capital Accumulation Plan (a 10-year endowment) is because in February 1988 I was unaware the Capital Accumulation Plan existed. In fact, my first CAP sale was not until July 1988. Perhaps if my training had included the plan, I would have marketed it more often. However, at the time, my training had only included the Financial Security Account and the Personal Retirement Account."

The ombudsman decided that the entire sale had been unsuitable. It is alarming that a salesman was let loose on the public while still insufficiently trained to give suitable advice.

Half-truths are also used. One salesman denied assuring a widow that she would receive at least 10 per cent income a year from an investment bond. However, he admitted he had said, in response to repeated questions, that he was sure it would do better. It did not. The sales were set aside, and she was paid interest.

These cases suggest the dangers for consumers, and show why it is worthwhile to complain. But Dr Farrand also suggested a list of three "don'ts" for policyholders who want to complain:

■ Do not be dishonest. Plenty of people are. The report cited the example of a pensioner who claimed that a refrigerator breakdown ruined 93lbs of meat in his freezer compartment – allegedly a week's supply for the claimant and any guests that might drop by. Investigation showed that the freezer could only hold about 42lbs, and so the ombudsman found in favour of the insurer.

Dishonesty can also attach to claims about disability. According to Dr Farrand: "A video showed an allegedly disabled roofer hammering nails into tiles and gutters. After the show, despite commenting that it had been one of his better days, he was able to appreciate the insurer's stance without further argument."

■ Do not be reckless. The test that claimants show that they used "reasonable care" has been relaxed, according to Dr Farrand, but is not finished altogether.

For example, there was no joy from the ombudsman for the man whose car was stolen after he had knowingly left it unlocked with the keys in the ignition while he ran back into his house to collect something.

However, this test is subtle. There was a pay-out for the parents of the boy who fell to his death while trying to jump from one hotel balcony to another, because he did not realise there was any danger, but not for the teenager who died after a daring dive from a high bridge, who it was thought must have realised the risks he was taking.

■ Do not have unreasonable expectations. Read the small print, the minutiae can often be distressing. For example, a woman being treated with hormone implants for menopausal symptoms appealed to the ombudsman when her insurers gave notice that they would only pay for another six months.

The policy covered costs of treatment for "medical conditions" which were defined as "any disease, illness or injury". As the menopause plainly does not qualify under any of these headings, the ombudsman ruled that the insurers need not have paid anything at all.

■ *The insurance ombudsman, City Gate One, 135 Park St, London SE1 9EA. 071-928-7600.*

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Sector	Shares	Value	No of directors
SALES				
Bass	Brew	171,725	931	1*
Blagden Industries	Pack	28,100	60	1*
British Polythene	*Pack*	*3,700*	*15*	*1*
BTR	Othl	150,000	804	1*
Cater Allen	OthF	3,689	12	1
Courtaulds	Chem	10,000	53	1*
Creighton Naturally	H&H	106,830	235	5
Dale Electric	Elts	100,000	62	1
Greenalls	Brew	90,297	365	1
Halma	EngG	298,477	478	6*
Hanson	Cong	5,000	11	1
Isotron	Misc	20,000	46	1
Leeds	Text	6,930	25	1
Leslie Wise	*Text*	*27,500*	*18*	*1*
Lowndes Lambert	InsB	5,000	17	1
M&G	OthF	7,000	40	2
MTL Inst	Elns	3,800	11	2
Macro 4	Elns	50,000	217	1*
Mercury Asset Man	OthF	208,250	726	3*
Metalrax Group	EngG	1,100,000	1,265	1
Microfilm Repro	*Pack*	*300,000*	*825*	*1*
Provident Financial	OthF	5,600	28	2
Racal	Elns	431,697	240	1
Smithkline Beecham	H&H	210,460	1,842	2*
TI Group	EngG	90,000	575	1
United Biscuits	FdMa	48,159	201	1*
Vistec	Elns	2,890,000	375	2
PURCHASES				
Control Techniques	Elns	72,000	143	1
Farringford	FdMa	231,050	23	5
Fleming Inc & Cap	NewI	30,000	30	2
GT Japan IT	InTr	20,000	32	1
Hardy Oil & Gas	O&G	10,000	11	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 16-20 March 1992.

Source: Directus Ltd, Edinburgh

IF LAST week's volume of selling reflected boardroom concern at the uncertain political outlook, this week's volume is even more emphatic. With Labour ahead in the polls, the selling is unlikely to let up until after April 9.

In December last year, Racal Electronics was fighting off the unwelcome attentions of Williams Holdings. In an impressive display of solidarity, nine of the 12 main board directors bought a total of 5m shares at prices between 50p and 53p. Three months after the failure of the Williams bid, Martin Richardson has sold considerably more than the 40,000 shares he bought in December.

Angus MacDonald, Directus Ltd

Guide to sectors: Brew = Brewers & Distillers; Chem = Chemicals; Cong = Conglomerates; Elts = Electricals; Elns = Electronics; EngG = Engineering General; FdMa = Food Manufacturing; H&H = Health & Household; InsB = Insurance Brokers; InTr = Investment Trusts; Misc = Miscellaneous; NewI = New Issues; O&G = Oil & gas; OthF = Other Financial; Othl = Other Industrial Materials; Pack = Packaging & Paper; Text = Textiles.

News in Brief

CONSOLIDATED Life is offering an annual income bond guaranteed to outlive the next government. The seven-year bond offers income of 9 per cent per annum net (equivalent to 12 per cent gross). Minimum investment is £2,000 and maximum £100,000.

It is unusual for insurers to offer bonds over such a long period, says Colin Jackson of Baronworth Investment Services, and the rate suggests that actuaries expect base rates to rise. The figures for one-year bonds, have also risen since last week, showing that a Labour government, with higher base rates in its wake, is seen as a strong possibility.

■ ■ ■

IN THE run-up to the election, several lenders are offering fixed-rate mortgages. Equity & Law has a portable 9.95 per cent (10.9 per cent APR) mortgage, fixed for 10 years. There is an arrangement fee of 1 per cent and a £25 booking fee. Borrowers must take out insurance through the lender. Only endowment and pension mortgages are available.

Cheltenham & Gloucester is offering a five-year fixed mortgage at 10.6 per cent (11.4 per cent APR). There is an administration fee of £250.

■ ■ ■

BONUS rates from life insurance companies are showing a strong downward trend for the year following announcements from several large companies.

Scottish Amicable cut both reversionary (annual) and terminal bonuses across it range of endowment policies. On the standard industry assumption that policies were taken out by a 29-year-old man paying £30 per month, 10-year pay-outs are down from £8,092 to £7,331, below the 1990 levels, while 25-year pay-outs dropped from £63,270 to £62,531.

The Prudential, the UK's largest life insurer, has also cut both forms of bonus. Its figure for a 25-year policy, on the same assumptions, is £60,075, down from £61,359. This keeps the Pru outside the top ten performing offices.

Equitable Life, a leader in the pensions market but less active in endowments, reported small increases in pension pay-outs. – the retirement fund after 25 years of paying £500 annual premiums would be £120,825, compared to £118,285 last year. Pay-outs on its 10-year endowment fell from £8,399 to £7,812, but over 25 years rose from £51,823 to £53,444.

The Week Ahead

LUCAS Industries, one of the UK's largest engineering groups, is likely to announce a further decline in half-yearly profits on Monday. Indeed, some brokers are predicting only break even, although it is thought the 2.1p dividend will be maintained.

Harassed, on the one hand, by poor demand in the automotive and aerospace industries, but under pressure, on the other, to keep up research and investment spending, Lucas is trapped between recession and creating a base for its future fortunes.

Full-year figures from MB-Caradon, the building products group, on Monday are expected to show pre-tax profits edging ahead to perhaps £104m (£101.7m) in 1991, in spite of the recession. After a 12 per cent profit fall at the interim stage to £47.2m, this would suggest a better second half.

The group's quarter share in CMB Packaging, the European packaging group, will contribute more following management changes there, but the proceeds of the £149m rights issue launched last October will barely have arrived by the year end.

Also on Monday, Inchcape, the international motor distributor, marketing and business services group, is expected to report annual pre-tax profits up from £174m to £180m, in line with the forecast made in December when it had a £376m rights issue to fund the acquisition of Tozer Kemsley & Millbourn (TKM).

Interest will focus on how the motor distributor and retailer is being bedded in and what effect the Budget's halving of car tax has had on sales by Inchcape, one of the UK's biggest car distributors.

London Weekend Television, which retained its franchise at the bargain basement price of £7.58m, is expected to unveil a good set of results on April Fool's Day.

Analysts are predicting pre-tax profits of between £19m and £21m for 1991. The outcome could be at the high end of expectations and perhaps even modestly up on last year's £20.7m. Such a result would be a considerable achievement in a recession.

Harrisons and Crosfield, the chemicals, building supplies and feedstock conglomerate, is expected to show a further fall in pre-tax profit to roughly £75m, from £106m, when it announces its 1991 results on Wednesday.

But the big question is: will it maintain an uncovered dividend, and the betting seems to be yes, just about.

Sun Alliance, the biggest of the composite insurance groups, is set to post a pre-tax loss of between £420m and £470m when its reports its 1991 results on Thursday.

Sun is the market leader in domestic Mortgage indemnity insurance and has been forced to make increased provisions as a result of rising repossessions.

COMPANY NEWS SUMMARY

RESULTS DUE

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Acsis Group	Tuesday	0.4	-	-
Alexon Group	Monday	6.0	8.5	3.0
Anglo Pacific Resources	Tuesday	-	-	-
Ash & Lacy	Wednesday	2.5	3.9	2.5
Associated Fisheries	Thursday	1.0	6.0	1.0
Atlas Converting Equipment	Friday	6.5	13.0	7.0
Avonmore Foods	Monday	1.25	1.8	1.35
Baird (William)	Thursday	3.55	5.35	3.55
Bilston & Battersea Enamels	Tuesday	1.75	1.25	-
BNB Resources	Tuesday	1.5	3.1	1.8
Boxmore Int'l	Monday	2.0	4.4	2.15
Brabant Resources	Friday	-	-	-
Campari Int'l	Thursday	2.5	8.5	3.0
Capital & Regional Props	Wednesday	0.3	0.6	0.3
Clinton Cards	Tuesday	1.5	3.75	1.5
Computer People	Monday	2.1	4.1	2.1
Croda Int'l	Tuesday	4.1	6.9	2.75
Dawsongroup	Thursday	-	1.5	-
Edinburgh Fund Managers	Monday	4.5	7.5	5.0
Estates & General	Tuesday	1.22	2.52	1.22
European Project Inv Tst	Tuesday	-	0.2	-
Garton Engineering	Tuesday	1.75	5.25	1.75
Gaskell	Tuesday	3.0	5.5	3.0
Great Southern Group	Thursday	3.0	8.5	3.3
Harrisons & Crosfield	Wednesday	3.6	5.4	3.6
Hay (Norman)	Tuesday	0.5	0.64	0.5
Headlam Group	Tuesday	0.75	1.65	0.75
Hewden Stuart	Thursday	0.82	2.17	0.86
Hickson Int'l	Monday	2.85	5.15	2.85
Hogg Group	Wednesday	3.0	5.0	3.15
Home Counties Newspapers	Thursday	2.75	5.5	2.75
House of Fraser	Wednesday	-	-	-
House of Lerose	Wednesday	3.0	7.3	3.0
Inchcape	Monday	4.8	7.0	5.0
Inishtech	Monday	-	5.0	-
Jacobs (John I)	Tuesday	1.5	1.4	0.5
Johnston Group	Friday	4.5	8.5	4.5
Johnston Press	Tuesday	1.75	3.25	2.0
Kingspan group	Friday	1.0	1.2	1.0
Korea Liberalisation Fund	Friday	-	-	-
LEC Refrigeration	Wednesday	4.0	10.8	4.0
London & Manchester Group	Thursday	4.17	9.14	4.42
LWT Hldgs	Wednesday	2.1	3.94	1.97
Macfarlane Group (Clansman)	Tuesday	1.7	2.33	1.78
Mayflower Corp	Tuesday	-	-	-
MB-Caradon	Monday	2.75	5.75	2.75
Mowat Group	Tuesday	0.5	-	-
MTM	Tuesday	1.7	3.4	1.87
New Ireland Hldgs	Friday	3.0	8.16	3.0
North British Canadian Inv	Wednesday	3.5	8.75	0.9
Nurdin & Peacock	Tuesday	1.87	3.35	1.90
Pearson	Monday	10.75	12.5	10.75
Pelon	Thursday	1.0	1.4	1.0
Redamec Group	Wednesday	-	-	-
Rutland Tst	Monday	0.27	0.53	0.27
Scholl	Thursday	2.5	3.5	2.5
Scottish Heritable Tst	Thursday	1.8	-	-
Scottish Television	Friday	5.75	25.0	2.87
Senior Engineering	Wednesday	1.08	1.78	1.2
Sharwood Computer Services	Wednesday	1.5	3.78	1.5
Spirax-Sarco Engineering	Thursday	2.7	8.0	2.7
Sun Alliance	Thursday	5.0	9.0	5.25
Tanjong	Wednesday	-	-	-
Telemetrix	Thursday	-	0.6	-
Tilbury Douglas	Thursday	10.5	22.5	10.5
Trans World Comms	Thursday	-	-	-
Tyne Tees Television	Tuesday	6.0	13.0	5.0
Usher-Walker	Friday	3.5	7.5	3.0
Watts Blake Bearne & Co	Tuesday	2.7	6.6	2.7
Wilson (Connolly)	Monday	1.31	2.53	1.27
INTERIM DIVIDENDS				
AB Electronic Products	Tuesday	-	0.1	-
Adwest Group	Wednesday	1.25	5.75	-
Baillie Gifford Japan	Tuesday	-	-	-
Barry Wehmiller Int'l	Thursday	2.4	4.3	-
China & Eastern Inv	Friday	n/a	n/a	-
EFM Income Tst	Monday	1.2	1.2‡	-
Lucas Industries	Monday	2.1	4.9	-
Manchester United	Thursday	-	-	-
Sycamore Hldgs	Monday	-	-	-
TIP Europe	Tuesday	0.86	1.28	-
Trafford Park Estates	Tuesday	0.85	1.72	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. ‡ = 2nd interim dividend.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amber Day	Feb	7,100	(6,520)	1.1	(0.9)
Allwoods	Jan	18,810	(18,470)	1.75	(1.75)
Barratt Developments	Dec	2,500	(14,500L)	-	(3.21)
Bridport-Gundry	Jan	172	(183)	1.5	(1.5)
Burn Stewart Dist	Dec	4,000	(3,900)	-	(-)
Community Hospitals	Dec	2,680	(1,990)	2.4	(2.2)
Estates & Agency	Dec	437	(349)	2.5	(3.5)
Frogmore Estates	Dec	4,350	(2,150)	3.4	(3.2)
Gabicci	Dec	538	(676)	1.4	(1.4)
Gleeson (MJ)	Dec	5,030	(5,050)	3.35	(3.12)
Halstead (James)	Dec	3,440	(3,340)	4.5	(4.25)
Kalamazoo	Jan	212 L	(1,030)	0.52	(0.5)
Lincat Group	Dec	108	(376)	-	(-)
Lloyd Thompson	Dec	6,700	(5,100)	1.65	(1.35)
Merivale Moore	Dec	1,430 L	(1,840)	1.0	(2.75)
Micklegate Group	Oct	899 L	(22)	-	(-)
Murray Ventures	Jan	1,960	(1,580)	3.4	(3.4)
MY Holdings	Feb	758	(337 L)	2.25	(-)
Nesco Inv	Dec	26	(22)	-	(-)
Pressac Holdings	Jan	805	(1,150)	0.75	(0.75)
Ricardo Int'l	Dec	1,210	(2,500)	1.9	(1.9)
Sunset & Vine	Dec	363	(246)	1.5	(1.5)
Tay Homes	Dec	1,820	(2,130)	1.2	(1.2)
Town Centre Secs	Dec	3,310	(3,010)	1.0	(0.9)
Wellcome	Dec	244,000	(181,000)	4.0	(3.0)
Wolseley	Jan	33,700	(38,000)	3.1	(3.1)

RIGHTS ISSUES

Epwin Group is to raise £5.4m via a 1-for-4 rights issue at 145p.
JLI Group is to raise £13m via a 1-for-2 rights issue at 96p.
Kynoch (G&G) is to raise £2.6m via a 2-for-3 rights issue at 36p.

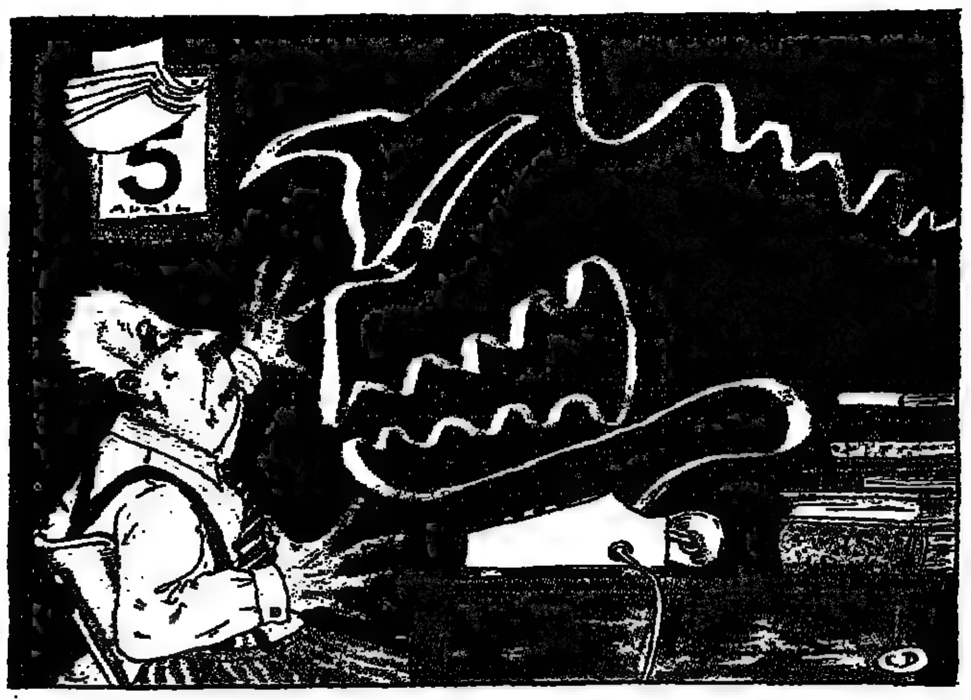
(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. † = After tax profit/loss. ‡ = This years figures for 14 months. ⁂ = Figures quoted in US dollars & cents. ♠ = Figures quoted in Irish pounds & pence. § = Last years figures for 15 months. # = This years figures for 15 months. ● = This years figures for 16 months.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
ADT	Dec	137,000	(244,000)	1.04	(1.93)	-	(-)
Anglia TV	Dec‡	8,730	(14,900)	13.5	(21.9)	9.26	(9.26)
Appleyard Group	Dec	1,810	(6,010)	2.5	(8.7)	7.8	(7.8)
APV	*Dec*	*30,800*	*(40,200)*	*6.9*	*(9.0)*	*5.4*	*(5.4)*
Aran Energy	Dec♠	5	(121)	-	(0.09)	-	(-)
Argos	Dec	82,100	(75,100)	13.9	(16.0)	6.4	(6.0)
Arnotts	Jan♠	4,220	(3,840)	14.1	(12.2)	7.5	(7.0)
Aspen Communications	Dec	1,700	(4,100)	8.0	(21.1)	4.9	(8.1)
Astec (BSR)	Dec	4,800 L	(4,000)	-	(1.05)	-	(0.7)
Ayrshire Metal	Dec	297 L	(1,210)	-	(8.5)	-	(2.75)
Barr & Wallace	Dec	4,310	(4,510)	20.7	(22.8)	10.0	(9.75)
Beauford	*Dec*	*2,100 L*	*(4,540)*	-	*(17.1)*	*1.85*	*(6.07)*
Bedford (William)	Dec	210 L	(259 L)	-	(-)	-	(-)
Bemrose Corp	Dec	5,090	(4,910)	19.9	(23.2)	11.75	(11.75)
Beta Global Emerging	Dec	664 †	(428 L †)	3.0	(-)	-	(-)
Boddington Group	*Dec*	*20,300*	*(20,100)*	*13.8*	*(13.4)*	*6.6*	*(6.0)*
Booker	Dec	103,900	(102,900)	38.3	(41.9)	21.7	(21.2)
Bostrom	Dec	830	(3,050)	6.4	(24.8)	6.0	(6.0)
Boustead	Dec	886	(5,210)	0.8	(4.2)	0.7	(1.65)
Brake Bros	Dec	15,400	(14,900)	23.6	(21.8)	5.75	(5.25)
Bredero Properties	Dec	4,500 L	(1,580)	-	(4.3)	-	(2.4)
Brent Chemicals	Dec	5,240	(13,000)	2.9	(19.4)	7.4	(7.4)
Bricken	Dec	3,600 L	(10,100)	-	(14.3)	4.0	(8.0)
British Alcan	Dec	45,600 L	(12,300 L)	-	(-)	-	(-)
Bunzl	Dec	31,700	(52,800)	4.1	(7.4)	4.0	(5.9)
Burford Hldgs	Dec	3,450	(2,650)	1.8	(1.5)	0.95	(0.85)
Bups	Dec	1,300	(38,200 L)	-	(-)	-	(-)
Burmah Castrol	Dec	165,500	(164,900)	42.8	(52.9)	24.0	(23.0)
Calor Group	Dec	45,000	(38,900)	18.1	(15.5)	12.0	(12.0)
Canning (W)	Dec	5,720	(6,840)	12.2	(12.7)	7.29	(7.29)
Cannon Street Inv	Dec	34,900 L	(17,300)	-	(16.8)	3.3	(8.8)
Claremont Garment	Dec	6,210	(6,420)	14.4	(14.5)	6.5	(-)
Clifford Foods	Dec	5,300	(6,650)	21.99	(26.3)	11.5	(11.0)
CMW Group	Nov	719	(373)	10.2	(11.8)	2.43	(2.8)
Coats Viyella	Dec	111,400	(101,400)	10.4	(8.9)	7.0	(7.0)
Colorgraphic	Dec	2,330 L	(2,010)	-	(9.09)	0.01	(6.86)
Cookson Group	Dec	34,000	(97,000)	1.8	(12.5)	6.0	(6.0)
Co-op Bank	Dec	6,000 L	(14,900 L)	-	(-)	-	(-)
Cussins Property	Dec	365 L	(4,040 L)	-	(-)	-	(-)
Daniels (S)	Dec	48 L	(70 L)	-	(-)	0.25	(1.25)
Derwent Valley	Dec	821	(335 L)	6.1	(-)	8.6	(8.25)
Dolphin Packaging	Dec	3,030	(3,170)	10.6	(10.9)	4.5	(4.3)
EBC Group	Dec	2,040	(3,510)	12.17	(18.99)	6.0	(8.0)
ECC Group	Dec§	115,400	(100,300)	32.8	(22.5)	20.0	(19.6)
Edinburgh Oil & Gas	Dec	285	(66)	1.65	(0.49)	-	(-)
Epwin Group	Dec	2,910	(3,510)	12.8	(15.5)	6.6	(6.4)
Era Group	Dec	2,170	(2,550)	2.16	(2.44)	-	(-)
Fairhaven Int'l	Dec§	14,100	(10,100)	4.01	(3.55)	0.4	(0.2)
Fired Earth Tiles	Dec	302	(753)	3.58	(8.56)	4.02	(4.02)
Geest	Dec	26,200	(24,800)	28.3	(23.2)	7.9	(7.0)
Globe & Dandy	Dec	754 L	(757 L)	-	(-)	-	(-)
Goal Petroleum	Dec	10,100	(10,580)	4.02	(4.24)	1.25	(1.1)
Halifax Building Soc	Jan	828,000	(593,000)	-	(-)	-	(-)
Hambros Countrywide	Dec	6,490 L	(988 L)	-	(-)	-	(-)
Hepworth	Dec	70,400	(90,100)	24.3	(30.9)	14.8	(14.8)
Hibernian Group	Dec♠	8,280	(3,660)	10.2	(4.4)	5.7	(5.2)
Horace Clarkson	Dec	5,500	(7,400)	12.9	(19.4)	8.0	(8.0)
Hornby Group	Dec	2,090	(3,820)	15.4	(30.1)	9.0	(9.0)
Iceland Frozen Foods	Dec	46,300	(40,300)	22.1	(27.5)	8.5	(7.2)
Invergordon Dist	Dec	32,200	(22,700)	16.6	(12.1)	6.5	(5.0)
IOM Steam Packet	Dec	4,100	(3,300)	*23.6*	*(19.3)*	*10.0*	*(8.0)*
Jardine Matheson	Dec‡	612,600	(561,700)	48.1	(42.1)	16.4	(14.3)
Jardine Strategic	Dec‡	454,700	(427,500)	34.6	(35.2)	10.5	(4.0)
Jeyes Group	Dec	4,180	(3,560)	19.6	(16.3)	5.4	(5.4)
Kingfisher	Dec	227,700	(252,000)	31.6	(30.9)	13.0	(12.2)
Kynoch (G&G)	Dec●	851	(983 L)	6.1	(-)	-	(-)
Lambert Howarth	Dec	3,300	(2,900)	39.3	(31.1)	12.5	(11.25)
Laporte	Dec	97,200	(103,000)	40.0	(44.4)	18.9	(17.8)
Lasmo	Dec	28,800	(48,800)	3.4	(9.0)	8.5	(8.5)
Linread	Dec	2,200 L	(2,080)	-	(11.07)	3.6	(5.7)
Lopex	Dec	398 L	(4,930)	-	(9.17)	-	(4.0)
Macallan-Glenlivet	Dec	7,380	(6,690)	4.95	(4.69)	0.76	(0.6)
Mallett	Dec	1,120	(3,660)	5.96	(17.3)	4.5	(6.0)
Mandarin Oriental	Dec‡	43,300	(51,800)	5.52	(6.68)	5.0	(5.0)
Martin Currie Euro	Feb	204	(270)	1.1	(1.43)	0.4	(0.75)
Medeva	Dec	15,700	(4,010)	8.3	(3.4)	1.5	(0.75)
Micro Focus	Dec	18,100	(14,800)	83.1	(65.9)	-	(-)
Microvitec	Dec	3,800 L	(2,400 L)	-	(-)	-	(0.3)
Molins	Dec	15,500	(15,200)	37.3	(36.9)	12.75	(12.0)
Monument Oil & Gas	Dec	6,240	(8,200)	0.99	(1.52)	-	(-)
Morrison (Wm)	Feb	82,600	(50,300)	18.78	(16.1)	2.0	(1.55)
Oriel Group	Dec	2,810	(2,110)	13.1	(11.1)	5.0	(4.5)
Page (Michael)	Dec	3,520	(4,830)	3.75	(4.71)	1.8	(1.8)
P-E Int'l	Dec	1,620	(4,210)	4.9	(15.0)	8.2	(8.2)
Pendragon	Dec	4,730	(5,070)	12.1	(15.1)	6.0	(5.4)
Perry Group	Dec	2,230	(4,200)	9.2	(17.2)	9.0	(9.0)
Pittard Garnar	Dec	2,100	(5,750 L)	5.4	(-)	1.5	(-)
Plasmec	Dec	180	(318)	2.6	(5.0)	3.5	(3.8)
P&O	Dec	217,400	(261,300)	31.0	(40.4)	30.5	(30.5)
Process Systems	Dec‡	403	(430)	0.73	(0.78)	-	(-)
Prudential Corp	Dec	267,000	(244,000)	7.5	(6.0)	11.0	(10.3)
Reckitt & Colman	Dec	252,300	(235,200)	40.8	(40.2)	15.1	(13.6)
Richardsons Westgarth	Dec	1,760	(2,210)	5.68	(6.19)	2.9	(2.75)
Rotork	Dec	9,500	(7,700)	20.7	(16.1)	10.0	(9.0)
Sandell Group	Sept	267 L	(137 L)	-	(-)	-	(1.7)
Seafield Resources	Dec#	136	(8 L)	0.6	(-)	-	(-)
Secure Tst Group	Dec	6,710	(5,030)	31.5	(27.4)	12.0	(10.5)
Shandwick	Oct#	1,400 L	(21,000)	-	(18.0)	3.54	(3.5)
Sharpe & Fisher	Dec	836	(1,610)	5.4	(6.3)	4.0	(4.0)
Sheafbank Property	Mar	983 L	(501)	-	(2.48)	0.2	(0.75)
Sheffield Insulations	Dec	1,500	(5,800)	3.7	(15.6)	5.4	(5.4)
Slough Estates	Dec	68,300	(66,400)	8.0	(8.1)	11.55	(11.35)
Spear (JW) & Sons	Dec	2,530	(1,400)	32.3	(17.8)	10.0	(8.0)
Spring Ram	Jan	37,600	(30,100)	7.1	(5.4)	0.286	(0.24)
Sunleigh	Dec	2,040 L	(1,810 L)	-	(-)	-	(-)
Thompson Clive	Dec	729	(780)	4.2	(4.1)	3.8	(3.6)
Tibbett & Britten	Dec	13,500	(11,700)	25.7	(22.5)	10.8	(9.2)
TT Group	Dec	14,600	(10,500)	15.1	(14.0)	5.5	(5.0)
Tudor	Dec	23	(325)	0.72	(3.66)	0.5	(2.7)
United Newspapers	Dec	85,200	(95,700)	27.1	(31.7)	21.0	(21.0)
Weir Group	Dec	34,200	(27,200)	22.1	(28.8)	10.5	(9.3)
Wilkes (James)	Dec	1,890	(5,610)	4.6	(22.4)	10.0	(10.0)
Wolstenholme Rink	Dec	2,320	(2,810)	20.5	(30.4)	16.3	(16.3)
Wood (Arthur)	Dec	261	(234)	9.28	(9.36)	4.1	(4.1)
Woodchester Inv	Dec♠	39,600	(29,600)	17.0	(16.8)	3.75	(3.12)
Worcester Group	Dec	4,520	(3,550)	10.4	(9.4)	4.21	(4.0)

How to . . . cope with the end of the tax year

Considering the pursestrings



WITH five working days left before the end of the tax year, there is still time to act on financial matters, particularly if you are worried that there might be a tougher regime after the general election on April 9. The areas to think about are:

■ **Pensions.** Additional voluntary contributions are a tax-efficient way of increasing pension benefits. If you can afford it, top-up AVCs to the maximum limit for the year: 15 per cent of your total pay (subject to a cap of £71,400 this year).

Tax relief can be claimed on AVCs and also on premiums paid into a personal pension plan. The maximum contribution varies with your age: from 17.5 per cent of your earnings until the age of 35, up to 40 per cent if you are between 61-74.

These contributions can be carried back one year for tax purposes, and accountant Price Waterhouse says it is worth doing this if your tax rate was higher in 1990/91. *You must pay the contributions by April 5 and make a formal carry-back election by July 5.*

■ **Deposit accounts.** If you receive interest gross, it might be to your advantage to claim interest in the present tax year, when it will be taxed at a maximum of 40 per cent. To do this, you will have to close your account before April 5 and reopen it on April 6, which is the beginning of the next tax year. Check that the bank or building society does not impose penalties for immediate closure. Also, remember to transfer investments which produce income to a lower-income spouse if you can make use of the latter's 25 per cent band.

■ **Capital Gains Tax:** *To use* up the full allowance of £5,500 for the current tax year, you may need to "bed-and-breakfast" shares by selling them on the market and repurchasing *them to bring gains up to* the tax-free allowance. Your taxable gain next time you sell will be lessened, since you will be starting from a higher base.

An allowance is made for the *effect of inflation* on asset prices between April 1982 and the present. This indexation allowance varies, depending on the month in which you bought your shares (page VI).

If you have reached your CGT threshold but your spouse has not, you can transfer assets to them so that they can use their £5,500 allowance.

■ **Share options:** If you think tax rates are going to rise in the next tax year and you are entitled to exercise share options, you may wish to do so before by April 6, since CGT is payable *on their disposal.*

■ **Inheritance Tax:** You can make "potentially exempt transfers" free of IHT provided you survive for seven years after making the gift. In addi*tion, husband and wife each* has an annual exemption of £3,000 which can be given as a lump sum or split between beneficiaries in any tax year.

Accountants Binder Hamlyn point out that those who did not use up last year's gift allowance, can still do so by the end of this tax year, although they must have used up this year's £3,000 first. Only one year's exemption can be carried forward – after that it is lost. So husband and wife can transfer £12,000, potentially free of IHT, if they have made no transfers in the 1990/1 tax year or after.

You can also give small gifts of £250 to as many people as you like free of IHT in any tax year.

■ ***Joint mortgage:*** *Interest* relief on a joint mortgage is now allocated equally between husband and wife. Higher rate tax relief has been abolished for the year 1991-92. However, *Price Waterhouse says it is* still possible to claim mortgage relief in respect of the tax year 1990-91 so long as this is done by April 5. If either of you is a higher rate taxpayer and the *other is not, you can elect* to have the interest paid in 1990/91 to be allocated against the higher rate payer's income.

■ **Charities:** Gift Aid scheme will allow you to give £600 or more *to charity tax-efficiently* by the end of the tax year. *If* you are a 40 per cent taxpayer, you can claim relief of £120 on £600. So it will only cost you £480 net to give £600 because the charity can claim a further £200 of tax.

■ **Personal Equity Plans:** The normal seven day cooling off period means that you now cannot receive advice and get a PEP for this tax year. However, you can use an execution-only service to obtain a Pep until April 2, or at a push, by midday April 3. Those offering execution-only services include Chamberlain de Broe (tel: 071-235-5999) for a flat fee of £50 and Boyton Financial Services (0787-61919) charges £60.

■ **Trusts:** Income from a dis*cretionary trust or an accumu*lation and maintenance trust suffers tax at a flat rate of 35 per cent. However, Barry Stillerman, of Stoy Hayward, says that if payments are made to a *child who is over 18 years old* and does not pay tax, the child can use his or her personal allowance to reclaim tax, so long as the settlor of the trust is a parent. The trustees *should make out a cheque to* the child by April 5 and a repayment claim can be made after that date.

If you are a settlor and beneficiary of an overseas trust (and are a UK resident), you are liable for CGT when payments are made. Trustees often defer payment, allowing income to accumulate in the trust instead. However, from April 5, *the government is* imposing a 10 per cent surcharge for each year between the realisation of CGT and the beneficiary receiving income from the trust for a period of six years.

Caroline Garnham, of solicitors Simmons and Simmons, says if your trust has made a gain and you are thinking of having income paid out to you *within the next six years, it* would be cheaper to do so before the end of this tax year.

■ **Business Expansion Scheme:** There are still some schemes open until April 5 so it is not too late to invest a maximum of £40,000 in this tax year to receive a rebate of 40 per cent of the amount invested. To keep the tax relief you will need to maintain the invest*ment for five years.*

■ **Enterprise Zone Trust:** After the collapse of Cabot Square scheme over a week ago, virtually all the available EZT schemes are oversubscribed.

Scheherazade Daneshkhu

Stop loss policies hitch

NAMES AT Lloyd's of London, the insurance market, have been experiencing difficulties in obtaining stop loss insurance policies, which provide them with reinsurance.

Valentine Powell, chief executive of the Association of Lloyd's Names, which represents more than 9,000 Names, *says his organisation* has been receiving inquiries from worried Names who – with nearly a quarter of the underwriting year already gone – have been unable to obtain cover.

Underwriters have been shying away from the policies – because of heavy losses. Nevertheless some cover is or should become available.

Four schemes are being marketed.

■ Brokers Holman Wade and Harrison Stuart are still assembling underwriting support for the market's most comprehensive scheme and hope to be able to offer quotes to Names within the next few weeks.

Last year the scheme provided three year policies *for* about 8,000 Names offering cover of £500,000 in excess of an amount equivalent on average to 18 per cent of a Name's premium income limit.

This year brokers expect to be able to offer the facilities but on a one year basis with cover reduced to £250,000 excess of 15 per cent. Rates are expected to rise by about 50 per cent. A Name underwriting £500,000 would pay up to £8,000 against about £5,500 last year.

■ Brokers Robert Frazer *and* Fenchurch also offer a one-year facility with less cover – £100,000 – but over a lower excess – of 10 per cent. Rates are roughly up 25 per cent on last year and capacity is still available.

■ Stop Loss Mutual, a venture founded by Charles Taylor & Co, says it has sold 3,000 policies of a kind which provide Names with more limited cover.

The facility, which was made available for the first time last year, does not provide Names with a contract of indemnity but mutualises the excessive losses of all Names backing the scheme.

Premiums paid by Names are invested in a fund out of which all claims are paid. Once the fund is exhausted all claims are scaled down – with all Names claiming on the fund receiving only a proportion of their claims.

Charles Taylor offers two policies. Class 1 is provided on the basis of a four year commitment, and entails payment of £875 a year for cover up to £25,000 per year, once losses exceed £300,000.

Class 2 policies offer cover up to £100,000 in excess of an amount equivalent to between *7½ per cent and 20 per cent of* allocated premium income.

The premium for class 2 involves an advance premium of £1,615 a year but if losses in any year demand it, a supplementary premium, not exceeding £1,615 is levied.

■ Seascope, the brokers, have been offering quotes for two facilities since last December but now have very little capacity available.

One policy offers cover of £100,000 in excess of a minimum of 12½ per cent, for a premium of £5,000. Cover can be increased to £150,000 for an extra £1,000 in premium.

Richard Lapper

Last chance – if it's Labour

SOME clichés make sense: "Invest in haste, repent at leisure" is a good example. The Labour party, which has a good chance of forming the next government, has pledged to abolish the Business Expansion Scheme for assured tenancies if it becomes the government next month. But there is *a chance to invest in the BES* between April 6, the beginning of the 1992-93 tax year, and April 9, the election date, and most big BES sponsors have launched schemes to allow you to do this.

There is a strong tax logic in favour of this, but it may become much weaker in the context of your other financial plans. These are points you should bear in mind:

■ Tax shelter investment usually happens at the end of a tax year when you know quite clearly how much you have earned. How certain are you that you can afford to shelter so much money for five years?

■ The increase in top tax rates if Labour wins has been well-publicised. This would cut monthly disposable income. BES is a non-income producing investment, so check that the opportunity cost of doing without the income from £40,000 in a more liquid investment would not damage your standard of living.

■ Many property analysts believe that a Labour government would be bad news for the residential property market. Some would disagree, but this is another point to bear in mind.

■ Although this is only a faint risk, Labour could abolish the BES retrospectively. It is not at all likely, but it is possible.

If a BES investment next year still adds up for you, the following companies are on offer; **Election Hedge**, sponsored by Capital Ventures, will aim to arrange covenanted "buy-back" schemes with universities or colleges, at a price of £1.35 in five years for every £1, before tax relief, paid now; **IMPRESS II**, sponsored by Hodgson Martin, will offer a *similar deal buying property* for Imperial College, London; **Artesian Performer II**, open until April 17, will buy properties for growth, with no attempt at setting a guaranteed buy-back price; 6-10 April **BESSA Cash Backed**, sponsored by Close Brothers, involves a buy-back deal, backed by a special cash deposit, with a North Sea support ships company, at a price of £1.32 for every £1 spent now, and; **Election Protection Cash Backed**, sponsored by Johnson Fry, which is structured to stay open until the day the BES is abolished. *It* aims to fix up cash-backed deals offering £1.25 in five years for every £1 spent now.

A different animal, the non-property trading company is making a comeback. The adventurous might like to sample the following; **Nevada Bob**, sponsored by Williams De Broe, is financing a new golf superstore for the City of London, which will be part of a larger worldwide chain; **Spit*toon, sponsored by Gouldens*** solicitors, is raising money to make Spitting Image-style television programmes, **First Standard Media** will raise money for film production – its founders include a former director with both BBC and ITV; and **HarleyScreen**, sponsored by Matrix Securities, will fund a private pathology laboratory working on screening for AIDS.

John Authers

FINANCE AND THE FAMILY

Diary of a Private Investor/**Kevin Goldstein-Jackson**

Precautions against Labour

AS ACTIVE private investors, my family has been preparing over the past few weeks for the general election. On March 13, my wife and two young daughters sold their shares in Southern Electric for 249p each. We took the view that City fears of tighter regulation by a Labour government of prices and profits of utility companies would cause Southern Electric and other utility companies' shares to fall.

Indeed, the recently-published Labour party manifesto promises families and businesses "power at prices they can afford." Control of the National Grid would be restored to "public control." Southern Electric shares are now less than 240p.

My wife and I still retain a tiny shareholding in Scottish Hydro-Electric, partly because it is uneconomic to sell the shares and partly because that company ought to benefit from all the parties' support for a clean environment. I have also held on to a small number of shares in Southern Electric just in case its services decline. In that case, as one of its customers, I might need to jump up at its annual general meeting to complain.

Apart from that, my family has no other utility company shares – although, if something dramatic happened between now and the election date to make it overwhelmingly obvious that there would be a Conservative victory, we might buy some in anticipation of a share price "bounce."

However, the outcome of the election looks very uncertain. Many people have speculated that the worst outcome would be a hung parliament with no one party with an overall majority. In my view, much worse would be a party elected with a tiny majority. With a hung parliament, at least deals might be struck between the parties and some uncertainty removed as to future policies.

But suppose a party wins with a majority of one. Everything might be fine for six months or so, with the majority party forming a government and putting its policies into action. Then, one of its MPs dies. There would then have to be a by-election. Suppose the government lost. A new government with new policies would probably be formed.

To gain some protection against this risk, I managed a few weeks ago to place bets with a bookmaker on the new government having a majority of between one and six seats. The bet on the Conservatives being in that position was at odds of 10/1; on Labour, 12/1. Recently, for bets like these, the odds have been reduced considerably.

All these election uncertainties have made me examine my family's finances closely. We have each sold as many of our shares as possible to take advantage of the £5,500 capital gains tax thresholds, and to raise some cash – in case there is a Labour government.

Should there be, the CGT allowances may be reduced and we could need extra cash to increase tax-free investments, like National Savings Certificates, or even to buy foreign currencies should it appear that currency speculators and/or a declining economic situation cause the pound to be devalued or "realigned within the ERM." (A strong case could be made for devaluing the pound, anyway, as it would make imports more expensive and encourage exports, so (hopefully) helping to reduce the overseas trade deficit).

It would also be easy for a Labour government to go back on some of its manifesto promises if it claimed that the Conservatives had "doctored the books" and that the country's real economic state was far worse than it had realised.

If there is a Labour government, then house prices are unlikely to rise. Indeed, they could continue to fall. Why? Because Labour plans to "increase the number of homes for rent" and encourage council house-building." More housing would, thus, be available.

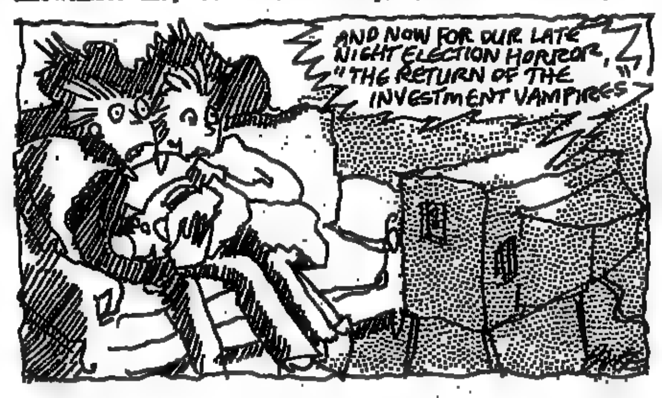
Increases in taxation will hit particularly those on reasonable incomes who traditionally have tended to "trade up" to bigger houses and larger mortgages. Increases in tax mean they would be more likely to stay put; so, at best, the housing market would stagnate. This would have serious repercussions for building societies and their thousands of branches. If fewer people take on larger mortgages, and if more people rent instead of buying, societies would be competing for even less business than exists even in these difficult times.

This would force more societies to merge. My wife and I have benefited already from one such merger – in 1990, when the Portman merged with the Regency and West of England society and a bonus of 4 per cent for all investors (up to £100 for each account) was paid to Portman account-holders.

My family has spread cash around a number of building societies – including the Chelsea and the Lambeth societies – in the hope of future mergers and bonuses. Another advantage of spreading money between a number of societies is that the Investor Protection Scheme covers only the first 90 per cent of the amount deposited, up to a maximum of £20,000.

While uncertainties remain about the election outcome, I am holding back from stock market investment. If Labour wins, advertising and PR companies could suffer as there would be no lucrative privatisations and fewer large contested company takeover bids.

But Labour's proposed increases in family allowances could give some appeal to shares in companies like United Biscuits and Cadbury Schweppes, once the market has settled down and the takeover speculation removed. People will still buy sweets and chocolates, and those companies also have some overseas earnings which could benefit if the pound is devalued.



Easier transfers

CO-OPERATIVE banks across Europe and Canada have come up with a new and cheaper way to transfer money from one country to another.

Tipa – *Transferts Interbancaires de Paiements Automatises* – will allow consumers and small businesses to transfer one-off payments, pensions, salaries, trade payments, insurance premiums and subscriptions. It is made possible by the close links between co-operative banks in different countries, which give them an edge over rivals in establishing a cheap and reliable system of cross-border payments.

Payment instructions are made directly into the clearing mechanism of the bank in the recipient's country. The exact amount the recipient will get is stated in advance, in the currency in which it will be paid, and charges are paid only at the time of the order.

Terry Thomas, general manager of the Co-op Bank, says payment can be collected within four days. A more expensive, same-day payment service – operated through Swift, the international bank electronic payment system – will be available for emergencies. However, you will not be able to send from the UK via Tipa until mid-May, although payments from France to accounts in the UK start next week. Payments between Belgium and France are already up and running.

One snag is that payment must be made in advance through a co-operative bank, although it is not necessary to be a regular customer of one. In most continental countries, co-operative banks have large networks with thousands of branches, but the UK Co-op bank has only 207.

David Barchard

What you pay...

THE TABLE shows capital gains tax allowances for assets sold in February. To use it, multiply the original cost of the assets by the figure shown for the month in which you bought them.

If you subtract the result from the proceeds of your sale, the difference will be your taxable gain or loss.

Suppose that you bought shares for £5,000 in January 1985 and sold them in January 1992 for £12,500. Multiplying the original cost by the January 1985 figure of 1.494 gives a total of £7,470.

Subtracting that from the proceeds of £12,500 gives a gain for tax purposes of £5,030 – below the 1991-92 £5,500 CGT allowance. If you realised no other gains during the year, the profit should be tax-free.

If you are selling shares bought before April 6, 1982, use the March 1982 figure.

CGT allowances: February

	1982	1983	1984	1985
Jan	–	1.650	1.569	1.494
Feb	–	1.643	1.563	1.483
Mar	1.716	1.640	1.558	1.469
Apr	1.682	1.617	1.538	1.435
May	1.670	1.610	1.532	1.432
Jun	1.665	1.607	1.528	1.429
Jul	1.665	1.598	1.530	1.431
Aug	1.664	1.591	1.516	1.427
Sep	1.665	1.584	1.513	1.428
Oct	1.657	1.578	1.503	1.426
Nov	1.649	1.573	1.499	1.421
Dec	1.652	1.569	1.500	1.419
	1986	1987	1988	1989
Jan	1.416	1.363	1.319	1.228
Feb	1.411	1.358	1.314	1.219
Mar	1.409	1.355	1.309	1.214
Apr	1.396	1.339	1.288	1.192
May	1.393	1.338	1.283	1.185
Jun	1.394	1.338	1.279	1.181
Jul	1.396	1.339	1.277	1.180
Aug	1.393	1.335	1.263	1.177
Sep	1.387	1.331	1.257	1.169
Oct	1.384	1.325	1.245	1.160
Nov	1.373	1.318	1.239	1.150
Dec	1.368	1.319	1.236	1.147
	1990	1991	1992	
Jan	1.141	1.047	1.005	
Feb	1.134	1.041	–	
Mar	1.123	1.037	–	
Apr	1.090	1.024	–	
May	1.090	1.021	–	
Jun	1.076	1.016	–	
Jul	1.075	1.019	–	
Aug	1.064	1.016	–	
Sep	1.054	1.013	–	
Oct	1.046	1.009	–	
Nov	1.048	1.005	–	
Dec	1.049	1.004	–	

Source: Inland Revenue

Legal right is under threat

Agents try to erode cooling-off rules, reports ***Barbara Ellis***

EROSION of the statutory right to cancel investment policies appears to be a growing side-effect of the slow housing market, with salespeople finding various ways to claim lost commission from customers who change their minds during the cooling-off period.

Dr Julian Farrand, the insurance ombudsman, said he had dealt with a number of complaints concerning tied agents. Typically, they involved someone who was buying a house from an estate agent being invited to step into the next room for advice on a mortgage – from an agent selling exclusively for one insurance company.

Invariably, the agent would recommend an endowment policy. As part of the formalities, he would get the buyer to sign an agreement to pay a mortgage arrangement fee, to be waived provided he kept up the policy. When the cooling-off notice arrived and the buyer decided to cancel, the agent began pressing for payment of the mortgage fee, sometimes threatening to sue.

"The view I have taken is that it is contrary to the spirit of the cooling-off notice to have any financial penalty attaching to the cancellation," said Farrand.

"I don't have any jurisdiction over mortgages; but if a tied agent is selling an investment product that is so wrapped up with a mortgage, the insurance company should be responsible for all of it."

Farrand explained that these rulings did not feature in his annual report (see Page IV) as the complaints had never become formal cases. When contacted by the ombudsman's bureau, the insurance companies concerned agreed to tell their tied agents to drop the claims against customers.

Late last year, the regulatory bodies Lautro and Fimbra both put out guidance to members on mortgage arrangement fees and fee waivers. Fimbra, which covers independent salespeople, stressed that members should make sure any waiver agreements were not perceived as prejudicing an investor's right to cancel any investment contract under the SIB rules.

"Members must satisfy themselves that the terms of the agreement and the sales practices associated with it are consistent with their over-riding obligation to ensure fair treatment of investors," said Fimbra.

But there are more ways of making up for lost commission than simply substituting a mortgage fee. In a county court claim filed at the beginning of last month, Abbott Financial Services of Farnham, Surrey, based a claim for £1,535 commission from a client on its terms of business which explained:

"We retain . . . commission [from companies with which investments are arranged] and therefore make no charge to clients for our advice and services . . ."

"In the event of you ceasing payments of premium on these policies within the commission period, we reserve the right to claim from you that proportion of commission reclaimed from Abbott Financial Services."

The client concerned is expected to point out that the policy was cancelled within the cooling-off period – before the commission period – and that no premium was paid.

Alan Newell, deputy director for membership at Fimbra, said that members did not have to tell the organisation what their arrangements with clients were, and added that lost commission was a difficult area as a firm might have been involved in a lot of preparatory work.

"They have the right to charge, provided they make it quite clear to clients what their terms are – not necessarily in the terms of business," he said. But Newell stressed that members must not interfere with the cooling-off process or withdraw the right to cancel.

Without commenting directly on the position of Abbott Financial Services, Newell said he thought it would be difficult for an intermediary to sustain a claim referring solely to a commission element unless there were some other arrangement involved – perhaps verbal.

WEEKEND LONDON

● Remembrance of things past
● Corners of a foreign field

Old barbers' shops by the boat load

***Heleen de Graaf** visits a company selling antiques by the room full*

ST MICHAEL'S Church nestles among old warehouses and workshops in Shoreditch, an old furniture manufacturing district just north of the City of London. Today, visitors to the church do not come to pray, but to worship antiques.

They come to buy Victorian doorknobs, marble bathtubs, even complete barbers' shops. The old Anglican church, built in 1865, has been home to the The London Architectural Salvage and Supply Company (LASSCo) since the company started up in 1978.

The church is filled with objects. By the entrance stands a cuirass; next to it are four marble pillars. The collection can range from 19th century firebacks to Victorian lamp posts, from bronze entrance doors to a capital from London's Waterloo railway station.

"The rich will always be with us", says Tony Brook, director of LASSCo. "Even in recession." The foreign rich, especially – no bad thing, for the state of the UK economy has brought the domestic antique market to the point of collapse. LASSCo's international contacts help it survive. "A lot of our customers are foreign. We also have contacts with other dealers abroad, and we travel ourselves to look for trade," says Brook.

Even so business suffered: turnover fell from £850,000 in 1989 to £450,000 in 1991. LASSCo cut staff from 12 to eight.

But, says Brook there have been benefits. "Sales have dropped by 40 per cent, but the prices we pay for our goods have gone down dramatically, while our selling prices have stayed the same. Furthermore, the cost of professional restorers' work has dropped, because of unemployment."

Most of LASSCo's stock is bought from demolition sites; some comes from people clearing out their sheds. Recently Brook followed an advertisement in a local paper and bought a complete 1930s US barber's shop. The shop was transported across the Atlantic and rebuilt in St Michael's.

Sales of timber make up 50 per cent of turnover. "People want something stylish and classic on their floors. Strange, though, that demand did not go up until we started spending more time and energy on getting good floors," says Brook. Wood for the floors is imported from all over the world. LASSCo also takes flooring from old houses.

The church contains small items for sale; but most customers have their own projects, and come to browse. "People designing their restaurants' interiors, for instance. The obsession with style has survived the recession."

Some buy on impulse. "A Japanese lady once fell in love with a complete 1890 chemist shop, and bought it for £16,000. But now it's in storage because she can't think of a way to re-use it. In the end we might buy it back," says Brook.

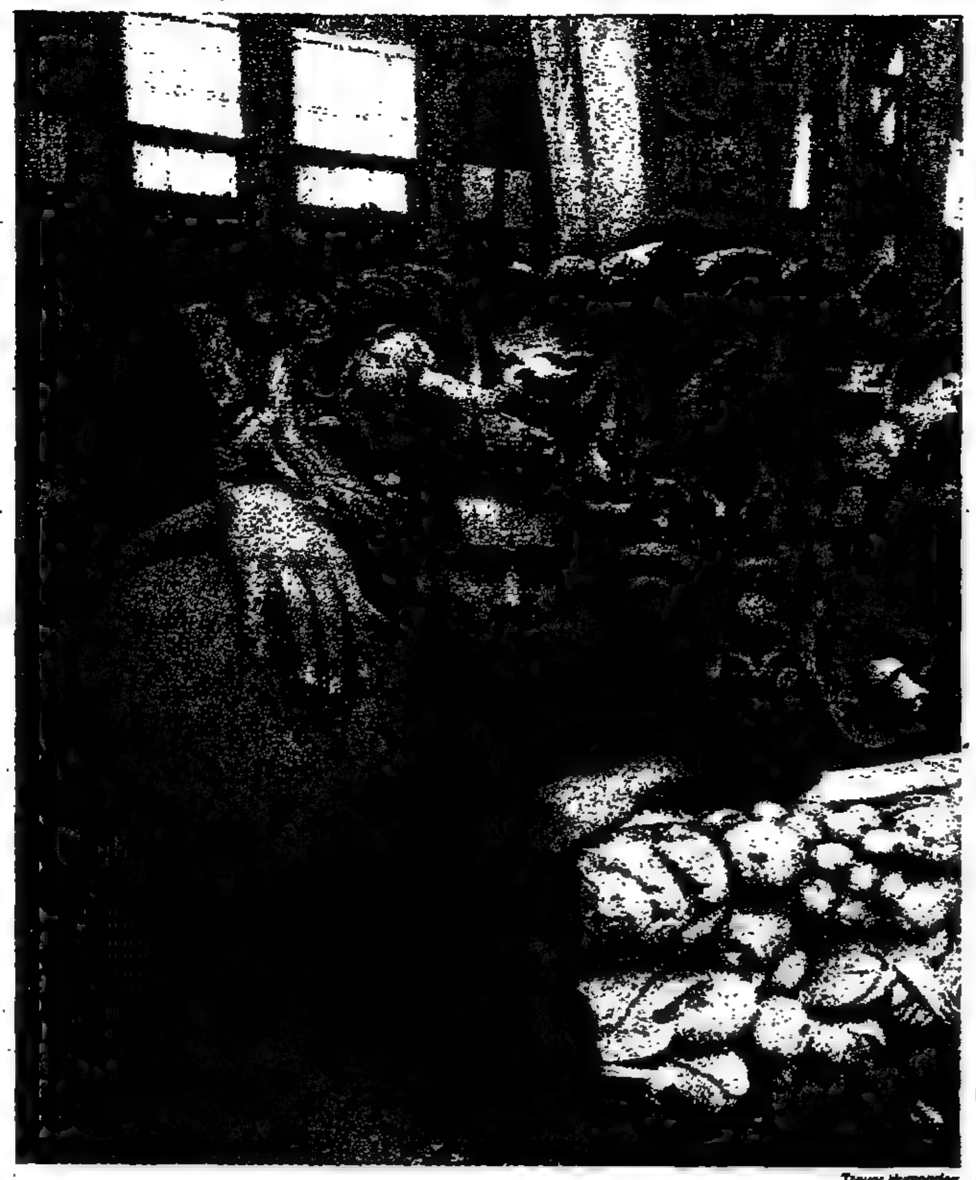
The Japanese have taken over from Americans as LASSCo's most important customers. "In the begining they bought everything without a clue what to do with it. Now they are learning to buy more carefully," Brook says. "But the average Japanese buyer does not know whether to put it up or down."

One Japanese company bought an arch from a synagogue for a discotheque. "Because it did not fit properly, they cut a piece off each of the columns. Of course that completely destroyed the whole thing."

Brook is cautious about the Japanese hunger for antiques. "We care about what happens to our trade – often it is part of the English heritage. Sometimes we really feel that some of our pieces should go to a museum, but museums have no money, and we're no charity. But it's one reason we do not always sell, and may ask a customer to leave."

LASSCo can afford to do that. It has little competition in the UK; none at all in London. "About four years ago, when the market was at its peak, there were a lot of people in the business," says Brook. "We called them 'runners'. They drove around in vans looking for old buildings which were being demolished, so that they could buy stuff and sell it to us. They started their own business wanting quick and easy money, but they didn't realise what they had got themselves into: storage, repair, and sometimes months or years of waiting before you sell an important piece. This recession, like a good frost, killed them off."

■ *LASSCo, St Michael's Church, Mark St, London EC2A 4ER, 071-739-0448.*



Trevor Humphries

Decor for discos: Tony Brook, LASSCo director, with artefacts on sale at its London church

As they say in Europe/**James Morgan**

A plum for foreign correspondents

LONDON does not rank high on European quality-of-life lists, but for foreign correspondents it is a plum. Some offer surprising reasons: "In Paris you can have a flat or a flat," says Patrick de Jacquelot of *Les Echos*. He lives in a house in Hammersmith. "You can be in the Chilterns, in lovely countryside, in 40 minutes – impossible in Paris." Reiner Gatermann of *Die Welt* says the cultural life is almost too much to cope with.

Alfonso Sole supplies Spanish papers and radio stations with items from all over the world. He has been in London for 21 years: "London is not like the concrete cities of Europe, it is green, you can have a garden."

Gardens mean a lot, especially to the Latins. "Only the super-rich have gardens in Milan," says Alessandro Merli of *Il-Sole-24 Ore*."

He lived here as a bachelor and is now married with a small daughter. "It is much better to be married in London; in Milan, Barcelona or Buenos Aires be a bachelor."

One reason is the difficulty of meeting Londoners. Merli lives in South Kensington and says there are none there anyway, but even if you do come across them, "they aren't interested. They can't stereotype foreigners so they don't want to talk to you. Maybe it's better than in America where they pretend to be interested in you for 30 seconds. Here nobody pretends. But people leave you alone which is nice."

Sole concurs: "You do not have to show off, you can be yourself in London."

Gatermann has been in Fulham for seven years, but only last Christmas did he think he could invite the neighbours in for *glühwein*. He had come from Scandinavia so found the housing a bit of a disappointment, whereas the Latins like it.

"Bad and getting worse" is the verdict on the worst aspect of London - public transport. "Even the metro in Madrid is air-conditioned, cheap and efficient," says Sole.

Taxi drivers are a bone of contention, "They know where they are going, which is amazing," says Merli, but he objects to what he calls the laid-back attitude. "Only here have I missed aeroplanes because of slow taxis. If you tell them you're in a hurry, they say, 'You should have left earlier'."

Merli adds that the British will always queue even if there is no queue - "a taxi driver will avoid an empty lane and land up behind five cars at traffic lights." But de Jacquelot says it is better than in Paris, because "you can always get a cab and be at any appointment in ten or 15 minutes."

But what about the news? De Jacquelot: "When I arrived and people asked me what I was expected to write about, I said, 'Everything except royalty, sport and crime.' But in fact I've been writing more about crime than anything else. It's fascinating."

"Crime" means Maxwell, BCCI and City scams. There is universal agreement that no other news centre anywhere provides such grand and colourful stories. Yvonne Esterhazy of *Handelsblatt* says: "Everything is so dramatic, presented as a revolution. The City is full of rumours."

She says City people are great to work with but British industry can leave much to be desired. She had to fight to get a ticket to the recent British Aerospace meeting. "They are all right on the gin and tonics but people call back long after your deadline."

Spaniards do not like business stories, but Sole has no trouble selling them from London because of their louche quality.

In Germany, British stories rate high. In *Die Welt* last Saturday there were three: the Yorks, Scottish devolution and Richard Branson's tussle with British Airways. Gatermann sees his job as giving a steady diet of UK news but says the exotic turns up often enough to dominate the output.

For Merli, London offers a high profile at home: "Many Italian deals are done through London so I hear about them before they know anything in Milan."

Access to politicians is awful: "They naturally care about readers in their constituencies," says Gatermann.

There are signs of improvement: for the first time this year a few foreigners attended the briefing by the Chancellor of the Exchequer on the budget. Early in the election campaign, John Major gave an unprecedented briefing for the foreign press – but it was declared off-the record and was, therefore, useless.

The British addiction to secrecy grates on the foreign press corps. Relations with officialdom resemble the old system in Eastern Europe rather than a modern democracy: no access to civil servants, no individual interviews with ministers – or even Glenda Jackson, the actress turned Labour Party candidate.

And there are other disappointments: "No indoor tennis courts," says Merli. But he learnt why quite quickly: he was playing in a park, the rain came down but his was the only game to cease. "Everybody else carried on; they have endurance here. That's why they win wars."

■ *James Morgan is economics correspondent of the BBC World Service*

Overtaken by events

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

MY HOUSE will be subject to a compulsory purchase order in the near future as it is in the path of a motorway which is being built.

I employed a surveyor to estimate the price I will obtain. The figure was about half of what the house is insured for. I have no desire to part with the property and intend to remain as long as possible.

I realise that I cannot win and will eventually have to move.

I am expecting threats and demands. I intend in turn to appeal. What stages are involved and where will I be able to direct these appeals?

■ The acquiring authority will serve a notice to treat on you and will then try to come to an agreement with you over the price which ought to be paid. If you cannot agree the question of price is referred to the Lands Tribunal, and appeal lies from the Lands Tribunal to the Divisional Court in the Queen's Bench Division of the High Court. An unsuccessful appeal would involve you in having to pay the respondent's costs (as well as your own). The value for insurance is mainly composed of the cost of rebuilding the property. This does not necessarily coincide with the value on the market.

Switching to winners

I HAVE a number of unit-linked retirement annuity policies with different insurance companies under Section 226 ICTA 1970. The investment performance of some of these policies is dismal compared with the others and I would very much like to transfer the funds in the poorly performing policies into the care and control of the insurance companies responsible for the better performing policies.

Can this be done as a right in the absence of any contractual provisions to the contrary in the policies applicable to the funds I would wish to transfer?

■ Unfortunately, you will usually find it difficult, if not impossible, to transfer from one 226 policy to another. Some insurance companies operate a number of different unit funds within the same umbrella policy and allow lateral transfers from one unit fund to another. It means doing the homework of what other funds that particular insurance company has to offer.

At retirement you will normally be able to take the money from existing policies and use it to buy an annuity with whoever may be giving a good rate at that time.

On the broader issue, however, of getting money back from one insurance company to pay to another, you are usually face a brick wall obstacle.

While there may be no solution for money paid in the past, there is a lot to be said for putting new money into what is described as a self-administered personal pension. This is written under trust and a bank has to be accepted by the Inland Revenue as a provider. You can then choose whichever unit funds or direct investments in shares you want and instruct your trustee to sell the ones that are doing badly and invest the money elsewhere.

This has only been possible during the last few years and only a few organisations are offering it. In due course we see this solution replacing standard insurance policies for the majority of discriminating investors. It has the further advantage of cutting out the high insurance company mark-up, including commissions, so not many people are trying to sell such plans.

Power of attorney

MY MOTHER wishes to give me power of attorney under the 1985 Enduring Powers of Attorney Act. Please would you let me know an address from which I can obtain the necessary form and of the court of protection, who I understand have issued an explanatory leaflet.

■ The Court of Protection is at Stewart House, 24 Kingsway, London, WC2B 6HD (tel: 071-269-7000). Forms can be obtained from Law Stationers Company shops.

BEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Co-Operative Bank	Pathfinder	0800 616162	Instant	£1	10.00%	Mly
Northern Rock BS	Postal Acc	091 285 7191	Instant	£2,000	11.00%	Yly
				£20,000	11.50%	Yly
Leeds & Holbeck BS	Albion Postal Acc	0532 438292	Instant	£50,000	11.80%	Yly
Scarborough BS	Premier Fix	0723 368155	1.8.92	£1,000	11.50%	Yly
Birmingham Midshires BS	First Class	0902 710710	90 Day	£100,000	11.70%	Yly
Chelsea BS	Premier Acc 2nd	0800 272505	31.1.94	£10,000	12.0%*	Yly
Nationwide BS	Capital Bond	0793 694485	2 Year	£10,000	12.30%	Yly
TESSAs (Tax Free)						
Allied Trust Bank		071 626 0879	5 Year	£9,000	13.24%	Yly
National Counties BS		0372 742211	5 Year	£3,000	12.50%	Yly
Stroud & Swindon BS		0453 757011	5 Year	£100	12.50%	Yly
Exeter Bank		0392 50695	5 Year	£250	12.00%	Qly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8235	Instant	£1	10.00%	Yly
UDT	Capital Plus	0724 550411	Instant	£1,000	9.90%	Qly
Chelsea BS	Classic Postal	0242 521391	Instant	£10,000	10.00%	Yly
				£25,000	10.50%	Yly
Portman BS	Prestige Cheque	0800 373178	Instant	£50,000	11.25%	Yly
OFFSHORE ACCOUNTS (Gross)						
Woolwich (Guernsey) Ltd	International Acc	0481 715735	Instant	£500	10.00%	Yly
Co-operative	Investment 90	0481 710527	90 Day	£50,000	10.75%	½Yly
Yorkshire BS Guernsey	Key Extra	0481 719898	180 Day	£25,000	10.85%	Yly
				£50,000	11.35%	Yly
C&G Channel Islands Ltd	Guernsey Bond	0481 715422	1 Year	£10,000	10.85%	OM
GUARANTEED INCOME BONDS (Net)						
Prosperity Life FN		0800 521546	1 Year	£25,000	9.00%	Yly
Liberty Life FN		081 440 8210	2 Year	£25,000	9.00%	Yly
Prosperity Life FN		0800 521546	3 Year	£25,000	9.05%	Yly
Liberty Life FN		081 440 8210	4 Year	£25,000	9.10%	Yly
Aetna FN		0800 010575	5 Year	£50,000	9.05%	Yly
NAT SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£5	9.50%	Yly
	Income Bonds		3 Month	£2,000	10.25%	Mly
	Capital Bonds C		5 Year	£100	11.50%	OM
NAT SAVINGS CERTIFICATES (Tax Free)						
	38th Issue		5 Year	£25	8.50%F	OM
	5th Index Linked		5 Year	£25	4.50% + infln	OM
	Childrens Bond F		5 Year	£25	11.84%	OM

* Rate on Chelsea account fixed till July 1. This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed= Fixed Rate (All other rates are variable) OM= Interest paid on maturity. N= Net Rate. B= Bond. Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Walsham House, Statham, Norwich. Readers can obtain a complimentary copy by phoning 0692 500000.

WEEKEND
LONDON

- *Nights on the town*
- *Soho, stripped of glory*
- *Two nations, one path*

Just a walk on the mild, wild side

So what goes in London after dark? Mike Goldwater-Network

IS THERE life in London after dark? On the surface it is doubtful; by midnight, the Tube is creaking to a halt, waiters and barmen are reaching for their coats and the streets are emptying. Below the surface, though, the lively young – and not so young – are preparing for a good time.

Here is a partial guide for those who have had enough of London's obvious evening dramas – the theatre, and confronting a restaurant bill – and fancy a walk on the mild, wild side.

The buzz word is clubs. London clubs, from the anonymous palazzos in Pall Mall to the latest disco, are discreet – but not exclusive. The recession has opened many doors. The most elusively exclusive are the peripatetic disco clubs, which scratch their presence on lamp post and walls with a code sign letting the elite know time and place. The secret usually gets out and the clubs become fixed weekly or monthly events.

The most celebrated at present is Kinky Gerlinky, where you are encouraged to dress to your fantasies, especially if you are a man who would prefer to be Carmen Miranda. The club attracts drag queens by the score but is by no means gay; rather, a happy meeting of poseurs and voyeurs.

Kinky Gerlinky has hit the spot so squarely that it surfaces monthly at London's largest – and, until now, least trendy – disco, the Empire in Leicester Square. Whether it can remain a cult in such a public place is doubtful.

There are clubs which stay rooted. Gaunt Road at the Elephant and Castle is probably the most boring one-way street in London during the day. But pop down around 3 am on Saturdays and Sundays and it becomes wonderland. For hidden inside a disused warehouse is Ministry of Sound. It is all of six months old but still just about smart: London's answer to the legendary Paradise Garage in New York.

This is strictly a place for dancing, for straight-down-the-middle house music, although there is a video lounge and (very New York), a VIP room. The owners, bright young men from the City, reckon the sound system the best in the land and none of the 1,500 people enjoying their private nirvana on the dance floor seemed to disagree.

Ministry of Sound is an alcohol-free zone, except for vodka and tequila flavoured jelloes. The brooding bouncers, who will search you for drugs, do not look kindly on groups of young men, but generally there is a relaxed door policy, although you will have to join the club.

North of the river, under Westway, is Subterrania, a club which makes a virtue out of variety. Each night, there is a different feel. You could catch the Songwriters' Network, young singer-songwriters trying out new material backed by top session musicians; or a disco handled by the latest hot-mixer, Jeremy Healey; or even a hit band, like Shakespear's Sister, paying homage to its roots. This is a relaxed, laid-back kind of place, where you need not starve or die of thirst.

Both Ministry of Sound and Subterrania would be surprised to see tourists, but they are commercial enough to cope. There are clubs, like Wag in Wardour Street and Milk Bar in Charing Cross Road, where you have to convince the bouncers that you have the right attitude – sometimes a difficult trick if you have queued for a couple of hours.

Antony Thorncroft knows a place where you can pretend to be Carmen Miranda

Heaven at Charing Cross is still the main haunt for gays. Other clubs, like Quiet Storm at Ormonds in Mayfair on Friday nights, probably need sounding-out during the day. This is very hot at present, with a disco downstairs and a quieter space upstairs for backgammon. It appeals to that ageing generation, convinced by their aching bodies that they are bored with disco sounds, who really just want a club where they can meet friends and have a quiet snack and drink in the early hours.

This move towards late-night private clubs (which can be relaxed when strangers drop in) is concentrated in the Notting Hill Gate district where Beach Blanket Babylon, the Globe, and 192 Kensington Park Road attract media types and theatricals.

The main discos for visitors in London are the Hippodrome, Limelight and the Empire Ballroom, all within hip-hop distance of Leicester Square. Nearby, in Charing Cross Road, is another large dance space, the Astoria, which attracts a tougher-looking crowd into heavier metallic music. If you can take the pressure, the customers are considerably more interesting. All these open, and close, earlier than the hippier clubs.

But what if you think dancing is a bore? Are there no alternatives? Yes, alternative comedy. The past few years have seen a flowering of comedy clubs in the capital.

They are often based over a pub and provide much of the camaraderie of a good pub, plus licensing extensions into the early hours and the chance to catch the acts of younger, irreverent comedians. Even when they have progressed to television stardom, many – such as Josie Lawrence, Paul Merton, Sean Hughes and Jack Dee – still work the circuit regularly.

The Comedy Store in Leicester Square is the most sophisticated venue but there is, perhaps, more fun at Jongleurs in Clapham, south London, or the T&C 2 at Highbury Corner, north of the river.

The routine is the same: a succession of, say, four comedians chosen (ideally) because one is a ballsy woman, one political, one deadpan and one who thinks he is a Martian. The audience is experienced enough to reward quality and to hammer pretension. Comedy clubs are as escapist as discos, but much cheaper, and get the night over with before 2 am.

London after dark is something of a closed oyster for many visitors, but persevere and you can turn up pearls. There is much to be said for heading for a lively "village" – Notting Hill, the Angel Islington, the Fulham Road and Earl's Court are the best bets – and then flowing with the tide, taking in the tapas bars (invariably providing Latin music), the pubs with entertainment (anything from karaoke singalongs to punk) and the late-night bars.

Acquire a copy of *Time Out*, the best listings magazine, which tells you which clubs cater for house music or funk, for gays or rhythm and blues freaks, and take an all-night bus map. The Tube might close early but, these days, there is a network of all-night buses which will get you home to Bromley before dawn.

There is more to Soho than sex

THE FLAT was in Meard Street, Soho, above the Golden Girls' Club. The girls were not so golden. They were rather beefy transvestites, mostly from Newcastle. They would sit behind chicken netting in the window, tempting potential clients. "Any business, sir?" or "Like a pleasant time, sir?" were chants that would echo down the narrow street.

Once hooked, the clients – "punters" to anyone in the sex business – would get a good deal more than they bargained for. Their money would disappear rapidly on sickly, make-believe champagne. There would often be fights. But the "girls" seemed a nice-enough lot. One gave me a big kiss as I came back with the milk early one morning.

Modern Soho covers about 50 acres stretching from Leicester Square in the south to Oxford Street in the north, Charing Cross Road in the east to Regent Street in the west. Once, it was woodlands: the word Soho derives from an ancient hunting call. But ever since it was settled in the 17th century, it has had a reputation for behaviour that ranges from rather roguish, bohemian and sometimes odd to downright lewd.

John Meard, a prominent Sohoite of the early 1700s who built the main body of the street that bears his name, spent much of his time escaping the clutches of his creditors. Among Meard's first tenants were an east European harpsichord-maker, a future bishop of London, and Elizabeth Flint, who was described as "generally slut and drunkard and occasional whore and thief."

One of the lease conditions of our flat was that the inhabitants should be working on a film script of *Ulysses* or the *Odyssey* – no-one ever was quite sure which. Soho Mary lived opposite. At 5 pm every day she would open her ground-floor window and for 10 minutes launch a tirade of four-letter words at people passing by, assisted by her dog which would bark beside her. Then she would shut the window and go about her business.

We were forced out eventually. The Golden Girls went back to Newcastle or moved to trade elsewhere. Soho Mary is no more. The man down the street who made shoe trees and gave us offcuts of wood for the fire has gone. The sex shop on the corner, run by an obese Maltese, has shut. Meard Street is now thoroughly clean. Even the telephone box, always smeared with advertisements for the most imaginative forms of bodily services, has been moved.

Soho has always been an area set apart from the rest of London. It is the oldest immigrant sector of the city; Greek traders and the Huguenots, victims of repression in France, were the area's first foreign settlers, late in the 17th century. In 1739, one essayist wrote: "Many parts of the parish so greatly abound with French that it is an easy matter for a stranger to imagine himself in France."

Theodore, king of Corsica, was buried in 1756 in St Anne's church (only the tower remains since its bombing in the second world war). Soho cast its doubtful spell on Theodore, who had to give up his kingdom to his creditors.

More immigrants came to Soho over the years. In the 1860s and 1870s there was an influx of Germans, Swiss and Italians. A few years later, large numbers of Polish and Russian Jews moved in. But not until the 1960s did the Chinese arrive in force; the south of Soho today is the capital's Chinatown district.

In 1851, Soho had more than 17,000 inhabitants; today, there are only 4,000. But influences from successive waves of immigration have remained.

Kieran Cooke revisits Meard Street and finds it a sadder and emptier place

We used to drink in either the old Dog and Duck pub on Frith Street or the York Minster – now renamed The French House – on Dean Street. The latter was the drinking venue for General de Gaulle and the Free French during the war. It always had a curious clientéle, ranging from puffy-faced retired boxers to former striptease artistes.

Since the retirement of the patron, Gaston Berlemont – an imposing figure with blue blazer and handlebar moustache – the "French" has gone down somewhat; it is now full, like everywhere else, of loud-talking youth who "Yah, yah" at each other and drink American beers out of bottles. In off-peak hours, though, the "French" still has a certain risqué atmosphere and the restaurant upstairs is recommended.

Lust and lasciviousness started strutting down Soho's streets late in the 1950s and through the 1960s. The Windmill Theatre in Great Windmill Street had the first British nude show. The girls had to stand completely still, in poses like Roman statues. One attendant had the job of tightening the seats worked loose as keen theatre-goers leap-frogged over the rows to gain a closer view. Another attendant recalled that binoculars were not allowed. "One old man came in wearing the thickest glasses you've ever seen. Fell down in the foyer and broke his arm."

Raymond's Revuebar in Soho has been offering "the world's most erotic striptease entertainment" for 35 years. Paul Raymond, the Revuebar's founder, started his theatrical career with a mind-reading act; he now has a considerable business empire based in Soho. As well as his clubs, he is one of Soho's biggest landlords, and claims he publishes 70 per cent of what he describes as the "acceptable men's magazines" in Britain.

"They'll never make me Lord Raymond of Soho," he says. "But I do find attitudes to sex in this country very strange."

Soho sex is really very tame compared with that in Amsterdam or Bangkok. It is also badly regulated.

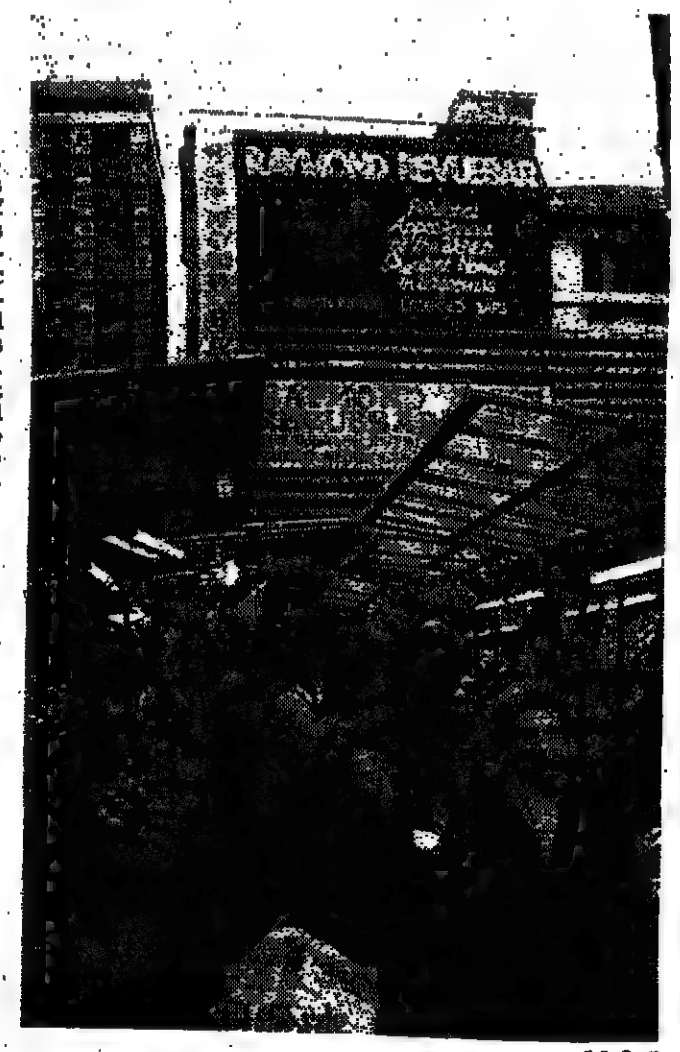
An official clean-up operation, together with a better economic climate, with more business enterprises moving into Soho, forced many of these establishments out of business early in the 1980s. But with the recession, sleaze is returning. The other day I noticed that the old fishmonger's shop had become an "erotic bed show" – about as exciting an act as being hit over the head with a kipper.

With sleaze, though, there is at least life. Empty shop-fronts and office blocks pose a greater danger to the character of old Soho. The Soho Society is fighting to save the area's vitality but its head, Bryan Burrough, says the lack of rent controls has caused enormous damage.

Many small restaurants have had to close. There has even been talk among the Chinese community of moving Chinatown south of the river to Battersea, or elsewhere. "There have to be controls on rents and more controls on office-building or else there will be only sterility and no life left in Soho," Burrough warns.

Despite this, he says that people who have lived in Soho are never quite the same again. "The other day, I had a letter from an old Chinese man who lived here 30 years ago. 'Soho was where I belonged,' the letter said. 'Nowhere has been the same since'."

Soho still knocks the spots off anywhere else in London. But it's not quite the same without our flat. There are no Golden Girls to watch any more. These days, Meard Street goes to sleep early.



The two faces of modern Soho Colin Beere

The right side of the tracks

Trevor Phillips on the importance of neighbourhood

LIKE THE Prime Minister, I am part of London's most significant ethnic minority – those who were born and brought up in the capital – and maybe even still live there. We are the sort of people who can remember horses at Alexandra Palace, dogs at Harringay, and success for Chelsea Football Club. It is an increasingly rare distinction.

Like many Londoners, I live close to where I grew up – just a mile from where my parents' three-storey terraced house stood, off Wood Green High Road. The dominant feature of the area is north London's most distinctive land mark, Alexandra Palace, surrounded by 1100 acres of parkland. From here you can see the best and most complete view of London anywhere in the capital. And the view that is offered from the top of the long winding hill to the palace is not just a pretty skyline. It is a revelation of what is happening to the city.

From the top of Ally Pally you can see two completely different Londons. Ironically the line of division is the railway track that takes City commuters to and from Hertfordshire's dormitory suburbs. Crossing the tracks by the narrow railway footbridge is literally a transition from one social and economic world to another.

To the north and west, on the right side of the tracks lies the place I now live – civilised, comfortable, affluent Muswell Hill, a suburb of irreproachable solid Edwardian semis, only occasionally afflicted by subsidence. The people who live at the top of the hill are mostly white families with *au pairs*, second homes and terminal angst over the tax breaks they enjoy under the Tories.

Its major celebrity is the actress Maureen Lipmann, now famous for her portrayal of Beattie, the Jewish housewife in BT commercials; its bard is Ray Davies of the Kinks – and the nearest thing to a scandal is catching sight of local girl Mandy Smith, former teenage wife of the ageing rocker Bill Wyman of the Rolling Stones. Muswell Hill has been a model to all suburbia for decades.

To the south and east is a different world, the place I came from: Wood Green and Tottenham. Up to 40 per cent here are non-white. The area is poor and crime-ridden. This is home to the underclass. Up to a fifth are lone parents, poverty is rife, in some parts a half of the residents are on state benefits. Among young black men unemployment rates are above one in three.

Tottenham's best known feature is the bleak concrete structure called Broadwater Farm. First famous in the 1960s as a design triumph in public housing, it became notorious in the mid-1980s as the site of the decade's most vicious and prolonged riot on the British mainland, during which a London police constable died, in full view of his colleagues, virtually decapitated by a mob.

The celebrities here are fewer and far more obscure. Sam Fox, the raunchy singer and sometime Page Three girl came from that side of the tracks, as do several black rappers with names like Rebel MC and Ranking Errol. I would explain what these names mean, except that they are meant to be indecipherable to a non-black audience – this is a world with its own private language designed to exclude those such as *FT* readers.

The west fears the east. We "know" this is where the people who steal our expensive car stereos and burgle our homes are from. The local police tell us that drugs are on the streets of Muswell Hill, and hint that they come from the other side of the park.

The east envies and despises the west, which it thinks of as soft, privileged and out of touch with the "real" world. My burglar friends say that the "fat" houses on my side of the park deserve everything they get.

Social division is not peculiar to this city or this area. But what is disturbing is that the traditional valve for tension – social mobility – has disappeared for many Londoners.

If they have any advantage, cities offer the poor the chance to better their station in life – to find work, promotion, to escape the condition into which you were born. To many

Trevor Phillips

young men and women in London, crossing the railroad tracks now seems to have become an impossibility.

One reason is the state of London's education system. Few would pine for the old grammar school system now, but for the poor a good school was a way up and out. The primary school which served me well is just ten minutes walk from my present home, and 200 yards from my childhood house. I have no reason to suppose that the teachers are any less dedicated than the outstanding women who taught me to read.

However, like most schools in the borough, it was unable to guarantee my elder daughter uninterrupted schooling, because of teacher shortages and, at the time, industrial action. As a result both of my children attend school elsewhere, on the right side of the tracks. The proportion of children in private education has doubled in the past 10 years – and in north London a good primary can take its pick of children from literally hundreds of applicants.

The children who have no choice will be under-educated and unable to compete. They will also contribute to London's lamentable skill shortage.

A second is that the traditional vitality which immigrants bring to cities is increasingly vitiated by recession and by prejudice. The city itself exists side by side with Spitalfields, a largely Bangladeshi quarter. A survey by the South Bank Polytechnic revealed that not a single Bangladeshi from Spitalfields worked in the City.

My local baker, a Moroccan, is popular and does a roaring trade at weekends among the people from the top of the hill. Yet his bank is less than forthcoming with support – a complaint shared by many minority businessmen. He finds it hard to attract the kind of young low-paid shop assistants he needs. He is too nice to say it, but white-run businesses seem to have little difficulty in these times of high unemployment.

But there is always the park itself. In a great city's public spaces no-one asks where you come from. Children meet on the slides and swings as equals. Alexandra Palace, like Wandsworth Common, Clapham Common and the capital's other great parks are great levellers and buffers.

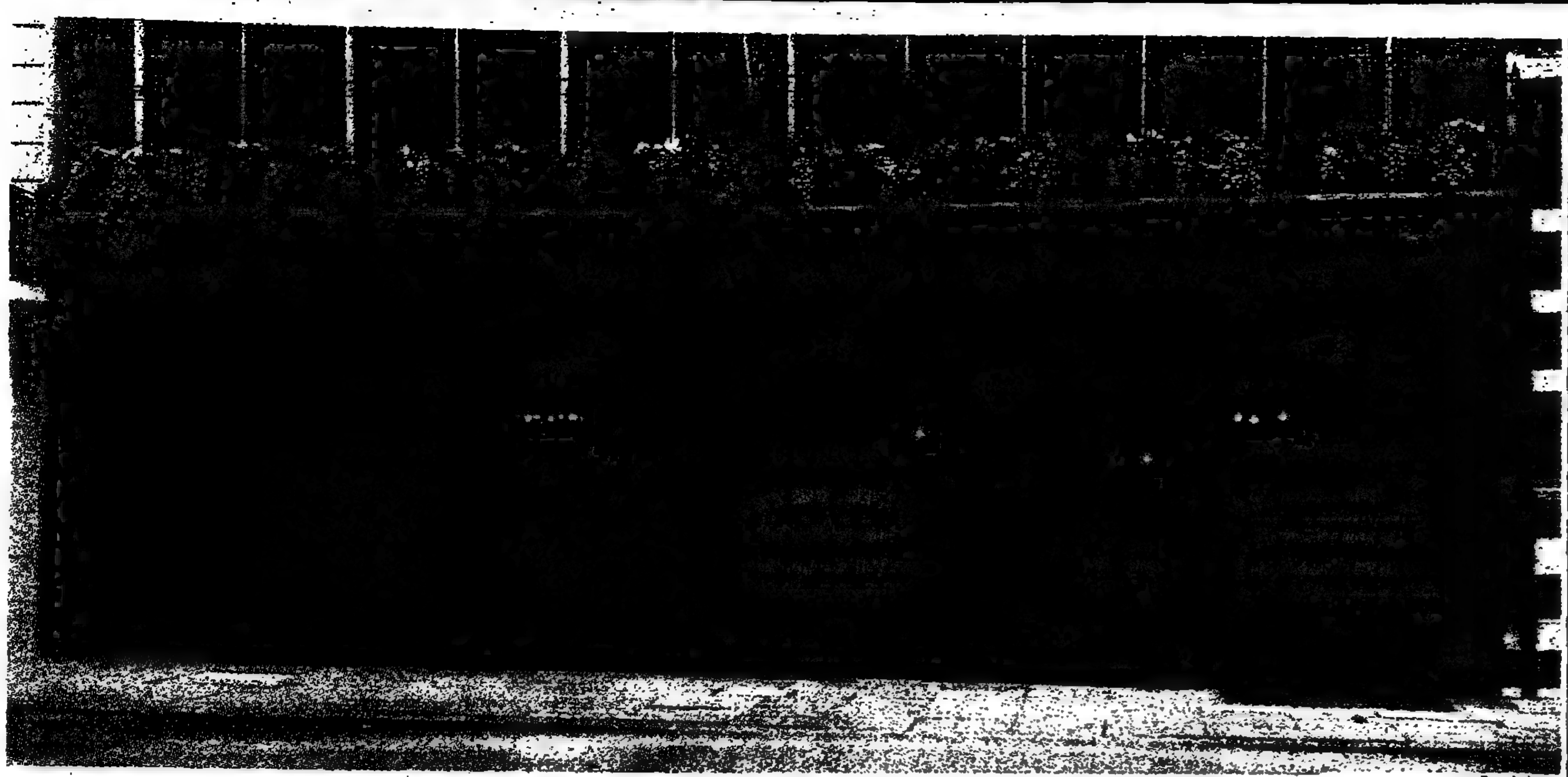
But, characteristically for London, this too is under threat. In 1980, after much of the Palace burnt down, it received a huge insurance windfall of more than £40m which could have transformed it into a major regional leisure attraction. A combination of poor management and profligacy by the local council, Haringey, has resulted in the windfall being squandered and a debt of £35m.

Many fear that in order to pay the debt the Palace will have to do what it did in 1905 – sell off valuable acreage for housing development.

If it does so, the distance between the two sides of the tracks will in one sense become smaller; but there is no sign that the gulf between the communities will be any closer to being bridged.

WEEKEND LONDON

- *Down by the riverside*
- *Old wine in old bottles*
- *Capital food*



Tony Andrews

The wine merchant Berry Bros, with its bare boards, mostly bare shelves, ledgers and Beau Brummel's weight records is worth a place on any tourist's London itinerary

Top vintners go underground

***Jancis Robinson** explains why London is the focus for the world's wine trade*

ON TUESDAY Henri Jayer, the most famous winemaker in Burgundy, will be celebrating his 70th birthday at a smart French restaurant. Nothing remarkable in that, perhaps, except that the restaurant he has chosen is not in Saulieu, Chagny or even Paris. It is Le Gavroche in London.

Last Monday the most influential man in the Médoc, Jean-Michel Cazes, trekked across the Channel to convince Sotheby's customers of the worth of his wines.

On Thursday it was the turn of Christian de Billy of Champagne Pol Roger, while two of Germany's best-rated wine producers, Ernst Loosen and (Gunderloch's) Fritz Hasselbach, have been buzzing around London all week. To the busier bees of the wine world, London is the honey pot. Only Germany imports more wine in total than the UK (950m litres of wine in 1990 to the UK's 640m) but most of it is pretty basic stuff. And Britain, as well as being the prime market for good quality bordeaux, burgundy, Loire, sherry, port and antipodean wines, has just one obvious centre of connoisseurship, London.

Words have to be chosen carefully here because London cannot claim a monopoly on Britain's top quality wine merchants. East Anglia and Edinburgh have more than their fair share of first-rate vintners, but most wine *activity* takes place in the capital.

This sort of slurping and spitting is at its most obvious at the tastings, lunches and dinners that the wine world takes so much for granted.

The London Wine Trade Diary is *crammed with these godsends for the thirsty*, sometimes as many as seven a day in the high seasons of early summer and autumn (although in August it is blank).

The Diary, aimed at preventing the most frustrating clashes, is kept by the Wine Promotion Board in offices next door to Vintners' Hall in Vintry Ward, the medieval wine quarter of the City of London. Only wool was traded more than wine when the king of England was also king of Aquitaine.

The wine trade moved gradually east and west of Southwark Bridge. And nowadays the international conglomerates soused in wine have decamped from London altogether to *bottling plants and bonded* warehouses in places such as Worksop and Southampton.

But subterranean London is still shaped by its wine trade history. Below the pavement, much of St James's is or was a wine cellar. The Stafford Hotel in St James's Place has *particularly atmospheric cellars* which can be hired for anything from a serious wine tasting to a teetotal reception.

Ultra-traditional wine merchants Justerini & Brooks and Berry Bros & Rudd, both still employing cellar staff, face each other across St James's Street, their landmark premises signalling very obviously which was founded in 1749 and which in the 17th century.

Berry Bros in particular, with its bare boards, mostly bare shelves, ledgers and Beau Brummel's weight records is worth a place on the least bibulous tourist's London itinerary.

On particularly busy days in the Wine Trade Diary a network of inter-*tasting tunnels would be useful, for* there are more cellars, in varying stages of their working life, around Trafalgar Square, the City and, typically, in dank railway arches, notably around Tooley Street just south of London Bridge.

One of these rattling, tenebrous *warehouses, Trapps, houses the "cellars"* of thousands of wine collectors, some as far afield as Hong Kong and San Francisco, as well as the constantly changing stocks of the auction houses Christie's and Sotheby's which have been crucial in maintaining London's supremacy in the wine world.

Christie's has fine wine sales on April 6 in the City at the Institute of Chartered Accountants 11 Copthall Avenue, EC2 and on April 9 and 16 in King Street, SW1. Sotheby's main April sale is on the 8th at New Bond Street W1.

James Christie's very first sale in 1766 included "a large Quantity of Madeira and high Flavour'd Claret" and the dominant wine auctioneer *would by now have 225 years of continuous* wine sales under its gavel were it not for restrictions on auctions after the second world war.

Today, if first-growth Bordeaux château owners want to send a ripple of their claret round the world of wine, they are most likely to begin it *in London, either by organising a* high-profile auction of some particularly rare older vintages, or with a tasting or dinner.

The sadness for many of us is that we are too busy justifying our place on the invitation list to take full advantage of every glass available. My dream is a retirement not so complete that the invitations stop.

Waiter! where is the ferry?

***Nicholas Lander** visits Le Pont de la Tour near Tower Bridge*

OF COURSE you *should visit Le Pont* de La Tour. Its position on the south bank of the Thames, beside Tower Bridge, should be sufficient attraction for any proud Londoner or visitor to the capital.

The approach, from the north bank of the river, is captivating. On my first visit, the *Tower was spotlit. Just walk*ing across the bridge is a boost to the appetite.

But the conversion of Butler's Wharf, a former tea warehouse, into flats, offices and a substantial restaurant hides more than appears. The complex almost encapsulates London's present financial and transport difficulties.

Its conversion preoccupied Sir Terence Conran from the mid-1980s. Unfortunately, even *his copious talents could not* buck the financial and property markets: Butlers Wharf Ltd, the property company which has developed the site, went into administrative receivership, following London's property slump. Outline *plans for the rest of* Butler's Wharf, which include cafés and a small hotel, remain a memorial *to the optimism of the late* 1980s.

And London itself has done little to add substance to Conran's vision. Butler's Wharf is badly served by public transport. Car parking, although cheap and adjacent, is hard to reach. *Pont de la Tour has* been trying to get its own stop on the underused Thames riverbus service – the simplest, and most environmentally sound solution to the transport problem in this area – for some time, without success.

Yet it is not as if London has so many first-class eating establishments – and Le Pont de la Tour created 120 new jobs in the middle of a recession – that the city can afford to be so indifferent.

And though Pont de la Tour *boasts a restaurant seating* 104, a 65-seater bar and grill, and a private dining room for 20, it also offers a wine shop which a leading wine merchant describes as "a delight" (I bumped into him, lunching with his supplier from Alsace), and a food shop where you can buy wonderful bread baked on the premises.

But you should not visit Pont de la Tour with too high expectations of the food.

So much thought and effort has gone into the restaurant design, its wines, its bread and improving its service (shaky at the beginning), that its cooking has been left behind.

I have not eaten badly there – just not as well as I expected and the prices suggest. Two renditions of crab mayonnaise were bland; the fish soup was anaemic; a herring salad was amateurish. Two other starters, Piedmontese peppers *and a* tomato and buffalo mozzarella salad, lacked bite and flavour.

Main courses provided a little more excitement. The roast sea bass was fine, but the cod portion was small – even for our recessionary times. A grilled Dover sole was burnt on one side. Chicken and rabbit dishes lacked conviction, and the calves liver was overcooked. The star was the pastry section. The three desserts – lemon tart, a chocolate cake and creme brulée – were first class, although the waitress tried to spoil their flavours by serving coffee first, American-style.

The problem faced by the Pont de la Tour kitchen is that it is being asked to do too much too often. Preparing large quantities of shellfish *(the "plateau de fruits de mer"* is excellent) requires a great deal of careful preparation before the restaurant doors open. Selections from the menu then demand a wide range of very rapid cooking techniques, particularly for the *grills. At the same time,* some *dishes need long, slow cooking* – the *osso buco Milanese*, for example. To do just one of these styles of cooking spectacularly well requires great skill – but the Pont de la Tour now serves 2,000 customers a week.

Still only in its sixth month of business, the restaurant is serving so many customers not only because of its attractive location, but also because it is responding to rising fixed costs with longer opening hours. It offers lunch and dinner seven days a week; last orders are not until midnight. This gives the kitchen little pause for thought and reflection.

The situation will scarcely improve as summer approaches and the restaurant adds 100 to the seating capacity with tables outside.

Sir Terence Conran has equipped the restaurant with an experienced management team which should overcome its problems with time. And for anyone with a sense of history and an interest in the best wines of the world at fair prices, Au Pont de La Tour is worth a visit.

■ *Le Pont de la Tour, Butler's Wharf, London SE1. Tel: 071-403-8403. Bar, £20 for three courses; restaurant set lunch, £21.50; dinner, £35 plus wine and 15 per cent service. Access and Visa cards only.*

A l'anglaise? Not in this city

***Nicholas Lander** searches the London restaurant scene for the best of British*

AT 2.15pm four American tourists sit down at one of the communal dining tables in Sweetings, the 100-year-old City restaurant. In deep southern accents they order from an Italian *waiter pints* of Irish stout in silver tankards and traditional British seafood – fish pie, salmon fishcakes and smoked haddock with poached egg – which comes up from the kitchen on a Dickensian "dumb waiter".

In the East End, just around the corner from a large mosque, in a for*mer* synagogue hall is the Kosher Luncheon Club (instant membership 50p). This is the last in the line of soup kitchens *established in the 18th* century to feed a wave of Jewish refugees. Now with waitress service the food is excellent and just as filling: bean and barley soup, fried fish and lokshen pudding all for £9.

London is full of such gastronomic variety. A political *safe* haven, it boasts German, Polish, Czech and Afghan restaurants; as a major port it allowed Chinese sailors to jump ship and open their own restaurants in what is now Docklands; as the centre of the British Empire it attracted cooks specialising in the *dishes of most Indian and Pakistani* regions. There is even an Australian restaurant. The oil crisis of the early 1970s was wonderful news for lovers of Middle Eastern cuisine and at one time the Fakhreldine, a Lebanese restaurant on Piccadilly was busier than Langan's, London's most successful post-war restaurant.

During and after the 1950s came Italians, Spaniards and the French came initially to work in the *big* hotels. It was however, not long before they had opened their own trattorias and bistros as foreign holidays made *foreign* food acceptable to the British. In the 1970s London was introduced to the American hamburger and the Japanese sushi bar as the Japanese made London their European business capital.

Is there is a nationality missing? Only one of significance. Where is the *British input into the London restaurant world?*

Sadly, absent until late. For the past 150 years we have been only too willing to abandon our culinary highspots to the good and the great so long as they come from overseas: Alexis Soyer at the Reform Club; Auguste Escoffier at the Ritz; Silvano Trompetto at the Savoy; and most recently, the Roux brothers at Le *Gavroche and the Waterside Inn.*

But London has not made life easy for the restaurateur, whatever the nationality. It is a hard profession but in the capital it requires almost a streak of masochism. Take the case of one of the city's most successful restaurants which, in spite of the recession, is looking to expand. It would like to take over two adjacent shops, create an extra 20 jobs, spend £200,000 on capital works and risk a *further £10,000 on its planning appli*cation. It has, however, been told that it has little chance of success – the council will not condone a restaurant in place of a retail outlet.

It is part of a small restaurant empire which employs 90 in total and is owned by a quintet of British managers and chefs. So too are almost all the most currently successful London restaurants.

These restaurants have not only created a new social class in London – at last, the esteemed British chef and restaurateur – but also threaten the supremacy of their French counterparts. Today, London's top French restaurants – L'Arlequin, Chez Nico, Le Gavroche and Tante Claire – find their customers wanting to eat more simply and drink less expensive wine. They are also beginning to lose customers to other rivals, hotel dining rooms, where income from bedrooms can be used to bolster thin food profit margins.

At the turn of the century London's *leading restaurant writer, Colonel* Newnham-Davis, of the Pall Mall Gazette, ate most of his memorable meals – seven courses and champagne – with a bill for two of under £3, at Claridges, the Ritz, the Savoy or the Hyde Park. Their fame still lingers, but today the most exciting *food in London's hotels is to be found* in places which did not exist 100 years ago. Try Philip Britten's cooking at the *Capital*, Bruno Loubet at the Four Seasons Inn on the Park, or David Chambers at Le Meridien.

My ten leading London restaurants, in alphabetical order, with British chefs and managers, are: Alastair Little, W1, 734-5183; Bibendum, SW3, 581-5817; Bistrot 190, SW7, 581-5666; The Brackenbury, W6; 081-748 0107; Le Caprice, SW1,629-2239; Clarke's, W8, 221-9225; *Hilaire*, SW7, 584 8993; Kensington Place, W8; 727-3184, The Quality Chop House, EC1, 837-5093; The River Cafe, W6, 381-8824.

Good British food

DESPITE the recent renaissance of the British chef/restaurateur London can still boast some gastronomic outposts which combine a sense of history and good British food. For the quintessential fish and chips, Grahame's Seafare W1, The Sea Shell NW1 and Brady's SW18. *For the true lover of eels, any fashion, F.E. Cooke E18. For simple* roast meat, often the most difficult dish in any restaurant, Simpsons in-the-Strand WC2. For game, Rules in Covent Garden, WC2. For its beef cobbler, *The Goring Hotel*, SW1 and, for traditional British puddings, Gilbert's SW7 and The Greenhouse W1. Two personal favourites are Wilton's, W1, and for supper pre- or post-theatre, The Upstairs Bar at the Savoy Hotel, WC2................................ *NL*

Cookery/**Philippa Davenport**

The licensed Lenten binge

TOMORROW is Mother's Day, a commercial bonanza *spawned* by the gift and greeting card trades to take over from what was once celebrated as Mothering Sunday.

In medieval Britain, Mothering Sunday was a day when the Christian faithful flocked to their "mother" church, the cathedral of their diocese for special services.

Later, Mothering Sunday celebrated human as well as spiritual aspects of *motherhood. It became* the day on which servants were released from domestic service to go home to their families. The young women took cakes to their mothers which were baked in their employers' kitchens using fine ingredients from the larder.

Mothering Sunday falls on the *fourth Sunday of* lent, mid-lent Sunday or Refreshment Sunday as it is also called. This was the day on which the lenten fast was lifted briefly. Time for a mini binge. The little feast came as a welcome reward to lenten penitents. Also the relaxation of the fast conveniently allowed use to be made of the eggs, cream and other fresh produce that had accumulated since the beginning of lent.

Simnel cake, rich with fruits and heavily marzipanned, was a favourite *choice for daughters to* bake and take home. Very practical: it was solid, easily portable, and once the ingredients were baked the cake would keep until Easter Day.

I am afraid I do not care for marzipan, not even the real home-made stuff. In fact, I am generally not much of a cake eater. So, perversely, I offer *a couple of pudding suggestions* instead.

OAT AND ALMOND TREACLE TART
(serves 8)

A modern twist on an old favourite, this should appeal to today's trendy young wholewheat society. The filling is as chewy as muesli and the sweetness of the syrup is sharpened by a generous dash of lemon.

Shortcrust pastry made with 6 oz flour (preferably half wholewheat and half plain white flour); 4 oz porridge oats; 2½ oz flaked almonds; the *finely grated zest of 2 lemons and the* juice of 1 lemon; 1 x 1 lb tin of golden syrup.

Use the pastry to line a deep 8-in flan tin, fluted or plain. Blind bake it until well cooked and crisp. This is important, particularly if you do not plan to eat the whole of the tart at one sitting. Few things are sadder than a soggy-bottomed tart with pastry which collapses as you serve it.

Crush the almonds with your fingers to break them up a little, then mix them with the porridge oats and lemon zest.

Tip the golden syrup into the top part of a double boiler. Place over simmering water and heat until the syrup is warm and runny. Add the lemon juice, stir and warm again briefly.

Away from the heat tip the oat and almond mixture into the syrup and stir vigorously for at least one minute to mix everything well.

Turn the filling into the prepared pastry case, levelling it gently. Slip it *onto a pre-heated baking sheet and* cook at 350°F-375°F (180°C-190°C) gas mark 4-5 for 40-45 minutes or until *deep golden and set.*

Serve tepid or cold, alone, with cream or with a bowl of lemon syllabub as sauce.

ENGLISH CUSTARD PIE
(serves 8-10)

This, on the other hand is decidedly old fashioned, the kind of very rich pudding that was made with gay abandon in those happy bygone days before the word cholesterol had entered common parlance. *It* is the sort of pie that clowns might have chucked at one another (whence the expression "egg on your face", maybe) but it is far too good to waste on pranks – a pie to savour occasionally in slow and appreciative mouthfuls.

Shortcrust pastry made with 8 oz *flour*; 6 eggs; *¾ pt single cream*; 1½-2 oz sugar (cubes for preference, granulated will do); 2 oranges; ½ teaspoon cornflour; 1 teaspoon triple distilled orange blossom water; whole nutmeg or ground cinnamon.

Use the pastry to line a deep 9½-10in flan tin, fluted or plain, and blind bake it until well cooked and crisp. Be sure to cook it very thoroughly and do it well ahead as the crust is best baked at fairly high heat, whereas the filling needs to be cooked at a very gentle temperature or the texture of the custard will be spoiled by bubbles and the taste will be eggy instead of *delicately creamy and silky smooth.*

Rub the sugar cubes over the oranges to pick up the fragrant oils from the skin (or grate the orange zest and whizz it with the granulated sugar in a coffee or spice mill). Then crush with a fork and cream together until smooth the orange-scented sugar, cornflour and orange blossom water.

Scald the cream and pour it onto the *sugar mixture. Stir well until the* sugar is melted. Then mix the sweetened cream into the lightly beaten eggs, pouring the liquid in a thin stream and beating the eggs with a wire whisk all the while.

Pour the creamy concoction into the pastry case and bake at 275°F-300°F (140°C-150°C) *gas mark 1-2 for* 45 minutes or until set.

Dust the top of the pie lavishly with freshly grated nutmeg or ground cinnamon as soon as it emerges from the oven, and cool to tepid, or leave to become completely cold before serving.

WEEKEND
LONDON

- *What's new on Rialto?*
- *Street market bargains*
- *And porcelain for £800*

Streets paved with second-hand clothes

IF SHOPPING as a sport has lost its thrall, if you are tired of air-conditioned malls, of stores selling nice, predictable, sensible clothes, of careful pedestrianised enclaves and conservation areas full of manufactured charm – take heart, all is not lost, writes Lucia van der Post.

In the run-down corners of London, markets still flourish, chaos reigns and the dead hand of the urban planner seems far away. Here, where the natural vitality of the market-place is allowed to flourish, shopping becomes more than just a serious search for life's necessities, it becomes a journey into the heart of a local community.

Markets offer more fun, better value and, most magically of all, they offer risk which does wonders for the adrenalin.

You could (easily) pay more than is sensible or wise for a dodgy vase or you could find the perfect grubby picture that gives pleasure for the rest of your life. You simply never know. That is what markets are all about.

They are a lucky dip, a chance to savour a bantering, more robust way of doing commerce. They also offer some of the best free entertainment there is. Listen to the barrow-boy trying to flog his flagging fuschias, take in the whelk-man at his stall selling his wares, spare a thought for the old woman trading cabbages just as she has done for the last 30 years.

There are markets of every sort - from the best-known, such as Portobello (so big and famous that foreigners who can muster scarcely a word of English, mutter it like a mantra as they pour into town) to small ones, scarcely worth crossing town for, but a part of the lives of those who live there.

Some, such as Berwick Street and Whitecross Street, Leather Lane, Lower Marsh and Strutton Ground are really lunchtime markets, a boon to those who live and work in those areas.

Others sell a broader range of goods and draw in customers from far and wide. So if you feel that shopping is not what it used to be head for your nearest market.

There are bargains to be found and fun to be had.

■ **Portobello Market, Portobello Road, London W11.**
Saturdays from 7 am to 5.30 pm. Okay, so everyone has heard of it, that does not mean there are no bargains left. You do not have to buy a piece of fragile porcelain at £800 – keep your eyes skinned and you are bound to see something you like for a price you can afford.

According to a young fashion student friend it still has some of the best secondhand clothes in London. Recently, she found someone selling the entire contents of a fine 1920s wardrobe. Then there is Sold Out – one of the many shops which are almost as much of a draw as the market itself – which not only sells secondhand clothes but regenerates them, fashioning old things into some new and wonderful.

There are lots of specialist shops selling everything from jewellery, antique glass, antiquarian books and pictures to old kitchen equipment textiles and toys. Still crowded, still great fun and, although more expensive than Bermondsey, its traders, too, have been feeling the pinch and so prices are more negotiable than ever.

■ **New Caledonian Market, Bermondsey, SE1.**
Fridays from 7 am to 5 pm. This is where the serious seeker of bargains in furniture, ceramics, silver and other household items heads for. This is mainly a dealers market and what you see there today may well appear tomorrow in Fulham Road or Camden Passage.

You have to be serious because if you aim for a proper bargain you need to be there well before light. Customers say (although I have never made it myself) that serious trading starts from 3 am onwards. Anything before 6 am is probably quite serious enough for most of us. After that some dealer has probably seen it and discounted it.

Anyone wanting to furnish a house will probably find Bermondsey the cheapest way to do it well but it requires persistence and a good eye as well as the temperament to enjoy the chase and the bargaining.

Lydia van der Meer

Sunday mornings in Columbia Road — flowers by the bucketful

■ **Church Street, NW8.**
Tuesdays to Saturdays, 9 am to 5 pm. One of my favourites this. Alfies Antique market at 13-25 is where I go if in need of a special present – jewellery of all sorts from Miriam Haskell and Schiaparelli to fantasy pieces from the 1950s, old, proper leather and crocodile shoes and handbags, old-fashioned luggage and other small pieces. Recently, prices have been good. The rest of Church street has other antiques and a dealer specialising in rugs and carpets. The Gallery of Antique Costumes and Textiles is one of the best old textile shops in London – go for old curtains, pelmets, quilts, embroideries and some wonderful old clothes.

■ **Camden Lock, Commercial Place, off Camden High Street, NW1.**
Saturday and Sunday 10 am to 6 pm. Although many surrounding shops are open during the week, the place comes to life at weekends when most of London's under-30s seems to be crammed together either to buy or to sell. The Electric Ballroom is a covered market where on Sundays you will find lots of little stalls manned by the young. They are often people who take a stall once a week and sell what they have made during the week – anything from jewellery to hand-made candles, hand-knitted sweaters, kitschy candlesticks, printed scarves or silverware. If you ever have it in mind to commission something special, this is a good place to check out the work of a whole host of craftspeople. No need to starve here – food stalls are everywhere and eating seems to be a full-time occupation – if it is not samosas, it is kebabs and if it is not kebabs it is quiche or hot soup.

The surrounding shops are mostly fun, too, although getting posher by the day.

■ **Greenwich Market, corner of Greenwich High Road and Stockwell Street, SE10.**
9 am - 6 pm Saturday and Sunday. Nothing grand or posh (although the special indoor market is filled with rather respectable things like pots of jam, scented candles, pot-pourri) but lots of stalls filled with things like old records, coins, bric-a-brac as well as smaller items of furniture.

A young fashion student at the Royal College of Art, tells me that this is where she comes to buy the second-hand clothes she collects. "You probably won't find anything earlier than the 50s but I buy here a lot because I'm basing my own collection on second-hand clothes. In the past few weeks I've bought a Jackie Onassis-style day dress for about £8 and a blouse probably originally put together in the 1970s from 1920s scarves for £4." She thinks prices are definitely more reasonable than in the central London markets.

■ **Columbia Road, E2.** Sundays from 8 am to 12.30 pm. Sundays are when this normally unassuming little East End road comes to life. It is where you go for anything and everything horticultural, from big bunches of daffs (I bought 16 bunches for £2 last Sunday) to bedding plants, packets of seeds, herbs and all manner of indoor and outdoor plants. It is so busy you need to push your way through the crowds but it is all well worth the effort. Prices are around 40 per cent less than you would find elsewhere and it is a lot of fun.

The little shops on either side of the market are well worth exploring. They are old-fashioned in the sense that they reflect the tastes and interests of the individuals rather than the safe and sensible principles of some central buying office.

They tend to verge on the quirky and unpredictable. Idonia van der Bijl at 122 sells an eclectic mix of goods that have caught her eye – anything from Indonesian steel baskets to mirrors from Rajasthan and hand-painted pottery from Devon. Next door at Ukwenza are hand-made steel model toys (windmills, bicycles) typical of work from South African townships. Angela Flanders' Aromatics at No. 96, sells fragrant burning oils, pot pourris and boxes of plain creamy candles in every size.

On a horticutural theme again there are several shops, all within a stone's throw of each other, selling inexpensive pots and cache-pots of every size and colour – plain terracotta, plain glazed (13 in by 10 in for £14) or elaborately hand-painted or decorated.

Nearby are Brick Lane and Petticoat Lane – which also seem to come alive chiefly on Sundays. Brick Lane is the place for cheap t-shirts, clothes, electrical appliances (do not expect a guarantee), tinned food, cheap crockery and household goods. In spite of a huge infusion of Bengalis these markets still retain something of an authentic down-at-heel working-class market. Some of the things sold are so depressing you wonder that anybody could need, let alone want, them.

Lucia van der Post finds fun and bargains in street markets

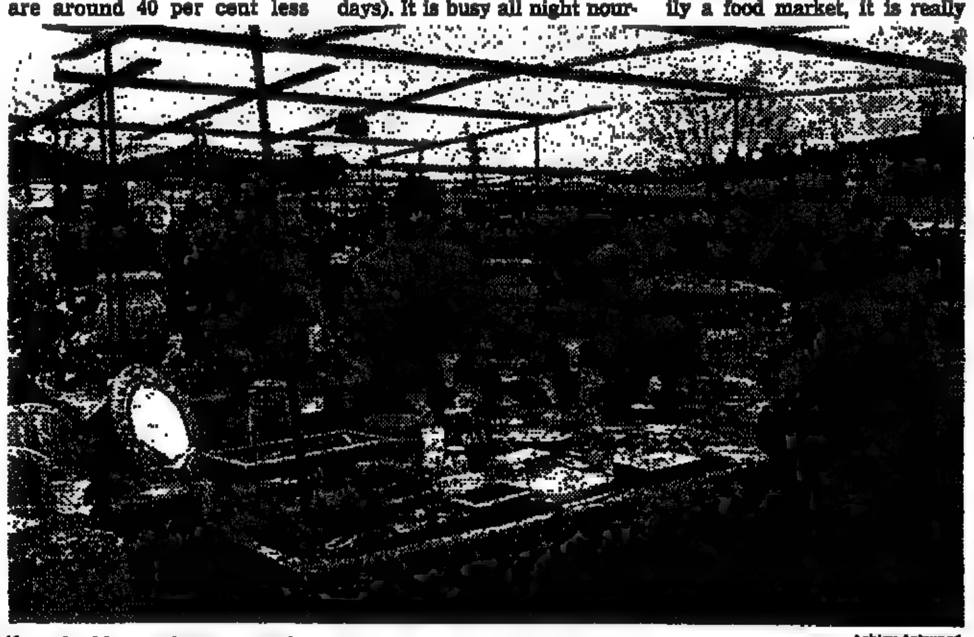
But, even if you do not find a bargain, you can console yourself by feasting for well under £5 at one of the many Bengali restaurants in the area. Lots of gaudy Bengali sweet shops and even a Bel Phoori (South Indian) restaurant. A few bits of bric-a-brac as well. Do not miss Beigel Bake, at 195 – 15 bagels for £2 and open 24 hours a day (except for Jewish holidays). It is busy all night nourishing cabbies, disco kids and late-night shift workers.

■ **Leadenhall Market, off Gracechurch Street and Leadenhall Street, EC3.**
Old-established it may be, cheap it is not. Here, surrounded by hot-shot laywers, city slickers and affluent bankers, are sold fine salmon, trout, mallard, grouse, oysters, crab, fruit and veg, in and out of season. They go for the kind of price traders know they can get. At Ashby's ask for their own sausages.

■ **New Covent Garden, Nine Elms Lane, SW8.**
Monday to Friday, 4 am to 11 am. Saturdays as well in summer. Modern, rather like a vast warehouse and, in spite of the authentically rough and ready traders, lacking real atmosphere. However, the flower halls when filled with the sweet smells and bright colours of vast buckets and tresties of flowers is heady stuff. Not as cheap as you would expect. You have to buy in bulk – exhausting to visit often but well worth it for a wedding, a party or a special occasion.

Brixton Market, Electric Avenue, Atlantic Road, Brixton Station Road, SW9.
Monday to Saturday, 8.30 to 5.30 pm (closed Wednesday afternoons). Very colourful fruit, vegetable, fish and meat market. Well worth a visit for the liveliness contributed by the West Indian community. To the sound of Bob Marley records, they find the essentials that remind them of their Caribbean roots. Foodies make the journey for fresh whole fish, sweet potatoes, yams, green bananas and lots more.

Shepherds' Bush, between Uxbridge Road and Goldhawk Road, W12.
Open from 8.30 am to 6 pm, Tuesdays to Saturdays. Primarily a food market, it is really worth visiting because of its exotica, one of the most cosmopolitan of all the food markets in London. Jostling round the stalls are Arabs, Indians, Cockneys, Africans, Jamaicans and Kensington yuppies which means you can buy anything from a plantain to a piece of African fabric, proper patna rice or a beaded Indian curtain.



Ashley Ashwood

Keep looking and you never know what bargains you will uncover

Top: The glassman at Camden
Above: Masks for all seasons at Camden Lock

WEEKEND LONDON

- Public spaces
- The Saturday crowd
- Hidden art treasures

Optimists who take their cue from Greenland

***Robin Lane Fox** gets his teeth into the capital's gardens*

The Italian garden in Hyde Park . . . a place to sprawl and enjoy in the lunch hour, shoeless and nearly topless

THE OPTIMISM of Londoners exceeds their circumstances: they are the Greenlanders of British gardening. When Peary encountered the most northerly Eskimoes in Greenland, they told him that all the rest of the world lay in darkness but only there did light still shine for half an hour on a winter's day. Clinging on, they thought themselves the most fortunate people on earth.

In London gardens, the dark factors are obvious: dirt, cars, neighbours' trees and cats, a heavy clay soil, and access only through the main rooms of the house. London gardening involves incongruous through traffic, shifting manure over rush matting and designer carpet. By way of compensation, its few rays of light are shelter from severe frost and a legacy from great planters in the past 100 years.

Against the frost, there are walls everywhere, some of them sunny and many heated from behind. Yellow Banksian roses will run from the basement to the eaves; little pittosporum will survive beside a flight of steps; myrtles will usually make it through the winter. As for the legacy, it continues to increase in public places: a massive new roof garden in Cannon Street and the new Japanese water garden in Holland Park. The best of it is much older and will be wonderfully visible during the next two months.

In spring, London still has its areas of sudden loveliness, suggesting a Chinese hillside among thick traffic and impatient men with briefcases. Early in the year, crocusses are marvellous from Marble Arch to Kew. There is a rare form of Ceanothus impressus which flowers even in December in the charming Physic Garden in Chelsea.

Against the old orangery in Holland Park, the tall pink and white camellias are looking spectacular; while the garden's box-edged beds of blue, mauve and yellow polyanthus are a dramatic background for the start of the spring season's skateboarding and public breast-feeding. On the edge of summer, lilacs are sensational in W2; when the heat rises I head for the limes in Hyde Park, buzzing with bees and, consequently, more free from pesterers than the plane trees in Berkeley Square. I try to avoid Kew because the bedding-out and border plantings are rather tasteless; I prefer surprises where gardens have excelled their settings, now or in the past.

The great gale of 1987 caused havoc among many of London's best groups of trees. Instead, at The Hill in Hampstead, you can admire the very long pergolas of Portland stone which were constructed for Lord Lever in 1905. Tree-like, they are a fine memorial to a golden age of gardening before the onset of socialism and world wars. Throughout June and July, private havens are thrown open on Sundays to the public for charity. The yellow book of *Gardens Open in 1992* is now on sale: anything marked with a botanical flower is worth visiting, especially the smaller gardens with an individual use of restricted space.

Between these expert oases, there are optimistic window boxes, dreaded hanging baskets, and the great acreage of gardens in London's squares which committees keep under lock and key. Select groups of residents disenfranchise those who live near them, and then run these green gardens with varying degrees of horticultural sense. Members have to own property within the specified area. My local square has disqualified me: perhaps they are afraid I will ride in with my horse.

The rest of us can only peer through the privet or off the top of a tall bus: our public gardens are the royal parks instead. This year, many of them are being turned over to privatised management with fears that they may lose their character; my experience is that privatisation speeds and improves results. Meanwhile, we can sprawl and enjoy them in the lunch hour, shoeless and nearly topless.

London's great belts of greenery are not a legacy from public-spirited "amenity" planting. They began as areas of royal field sports. We owe them to two cultural forces which are loathed by the political left: hunting and the monarchy. Thanks to both of them, distressed gardeners, trapped in London, can head south for relief to Richmond. This park has a scope and wilderness which central spaces lack: it is a network of small woods where birds, flowers and autumn colours are an encouragement to keen walkers.

Despite the gorse and heather, the happiest patch of former hunting ground is the Isabella plantation, which is one of the few gardens worth visiting from the countryside beyond. Since January, there have been great bushes of flowers among the camellias and rhododendrons in this sheltered wood, re-planted since the 1950s. April and May are its special moments of glory and entrance is free, making it London's number one for gardeners who are feeling frustrated.

What, lastly, about the ultimate secret, the gardens of Buckingham Palace? Yes, I did go once to a summer garden party; and although I thought that the display of cherry pie made effective bedding, I felt the borders lacked flair and class. On an earlier visit in the 1960s, my grandmother was luckier. She found the ultimate relic of a sudden social crisis: a discarded meringue in a flower bed, in which was still embedded the upper half of a set of false teeth.

Just a little street of shabby chic

Lydia van der Meer

Portobello Road . . . tatty, ill-groomed but fashionable

***Nicholas Woodsworth** visits the legendary Portobello Road, the main axis of born-again Notting Hill*

EVERYBODY knows the Portobello Road. It is not a street where most people would spend much time; instead, it is a one-day-a-week place where, every Saturday morning, a good part of affluent London (and much of the rest of the world besides) seems to want to congregate.

By 9 o'clock, it is so full of Belgravia matrons, Hampstead householders, and the young and trendy from all over London that there is scarcely room for the hordes of foreign visitors to swing a video camera. Tatty and ill-groomed – but, at the same time, fashionable and frequented – it is the best-known street of shabby chic in London.

What is it that draws the crowds across Notting Hill Gate, along Pembridge Road and into Portobello's narrow, pedestrian-clogged artery? Much of the appeal, no doubt, has to do with the scores of shops and sidewalk barrows that line both sides. Stuffed full of antique furniture, *objets d'art*, Victorian bric-a-brac and all kinds of uncommon articles old and new, cheap and expensive, there is something for all tastes. But if buying such delicate objects as eggshell-thin, 200-year-old tea cups for £800 apiece is one part of the thrill, the other is the distinctly indelicate atmosphere in which the browsing and dealing takes place.

The market looks battered and run-down but it is also colourful, vibrant and raffish. It is full of easy banter, rough talk and gesticulation. Brash and energetic, it is alive with curious people and odd sights: blind beggars singing, jugglers and ambulating magicians, ladies with baby prams full of small dogs, soapbox orators out to save the world from acid rain or the Conservative party.

What happens, though, when the Saturday market closes down and the bargain-hunters drift off? Walk along the empty upper stretches of Portobello Road on any other morning of the week and you might not recognise it. The antique shops are shuttered and padlocked and barely a cat stirs. For all its apparent desertion, however, life has not come to an abrupt halt. Portobello Road has simply reverted to its more usual existence as the main axis of Notting Hill, the community that surrounds it.

Quite apart from the visitors and the antiques, Notting Hill leads an interior life wholly its own. Throughout the week, it remains one of the most active, distinctive and appealing parts of London. It is a highly sought-after residential address, a place where you will find businessmen and bankers, professionals and media people.

Recessions notwithstanding, house prices have doubled and tripled in the past 10 years; and although the area has the highest density of private rented accomodation in south-east England, it is so popular that this is now almost impossible to find.

In the 1960s, Notting Hill was a badly run-down area of cheap bed-sits maintained by slum landlords, a refuge for the poor and for large ethnic minorities of black, Spanish and Irish immigrants. Drugs and the hippy counter-culture moved in. Poverty, unemployment, drugs, crime and overcrowding combined to give Notting Hill a rough, dangerous and unsavoury reputation.

Look further into the area's past, however, and you will find some of the reasons for its present appeal. In the 1820s, London's suburbs, fast expanding west, began encroaching on a large agricultural estate surrounding Portobello Farm (so named for a British victory over the Spanish in the Gulf of Mexico). The estate's owner, James Ladbroke, saw the opportunity for creating a "garden city" – a planned, orderly suburb of sweeping, terraced crescents and broad expanses of greenery.

By the end of the Second World War, though, the once-gracious houses were so neglected that you could buy one for as little as £1,000. Through the late '50s and '60s, Notting Hill's low prices attracted many thousands of Afro-Caribbean immigrants. Rapacious landlords, racial tension and occasional explosions of violence kept property developers and investors away. Today, re-converted from bed-sits into single residences, these same houses will not leave a great deal of change from £1m.

It is, however, not just the architecture that has attracted affluent outsiders to the area. For many, in fact, it is just the opposite. Notting Hill over the years has developed a tolerant, bohemian, live-and-let-live atmosphere. Inevitably, it has attracted escapees from the conformity and constraints of white, straight, middle-class London.

The Portobello Road, as well as being lively, can also be rough and dangerous. But for those who have grown up in dull suburbia, the frisson of fear that comes with encountering, say, an aggressive drugs dealer on a deserted corner late at night can, in a perverse kind of way, have its attractions - it is *cool* to be hip, young and street-wise, to court the risky, the illicit and the thrilling.

Notting Hill's atmosphere has always attracted painters, writers and musicians as well as myriad schools of youth sub-culture and fashion. There are life-styles in the area more alien to most Englishmen than those of tribal Africa.

If you want the latest in Thrash or Grunge music, you can buy it in shops there. You could scrape an aquaintance with the Crusties, the most recent variety of aggro-anarchists, although you are better advised not to. Or perhaps you would like to eat in a cyber-punk restaurant. You can find them all in Notting Hill.

The most significant newcomers, though, are that large tribe of invaders already familiar in many formerly less-favoured but convenient and accessible parts of London: the young and upwardly mobile. Like most people, they find the Notting Hill atmosphere lively and liberating and go on to inject it with their own energy and tastes.

More importantly, they also inject it with money. No one can walk around the streets adjacent to the Portobello Road without noticing the tapas bars and art galleries, book shops and bistros, florists and restaurants that have followed the yuppie migration. Slowly, such shops and businesses are transforming the area and may well, one day, tilt the balance of neglect and fashionability that makes this part of town special.

For the moment, though, the streets are safe from any such demise. In the Portobello Road, going down-market still remains the up-market thing to do.

The most civilised place in town

***Patricia Morison** recommends a visit to the Wallace Collection*

VISITORS to London who also read the *FT's* art pages will know already that each of London's Big Four – the British Museum, the National Gallery, the Tate Gallery and the Victoria & Albert Museum – has acquired new galleries. And yet, when the tourist season is well under way, you might not fancy the idea of heading the same way as thousands of other people. Which of London's many dozens of other museums offers the hope of first-rate entertainment for the mildly misanthropic?

The first choice is absurdly obvious. Two minutes' walk from the hell of Oxford Street, you will find Manchester Square and the grand brick facade of Hertford House. This 18th century mansion, restored beautifully in the 1980s, houses the Wallace Collection: in all London, there is not a more civilised place.

The marquesses of Hertford, members of a colourful family, amassed the collection between 1750 and 1890. Much of its character comes from the fourth marquis, who lived at the château of Bagatelle in the Bois de Boulogne, Paris; his collection of paintings by Boucher, Fragonard, Watteau, and Lancret has no equal in Britain. Almost as notable is the 19th century French collection, particularly strong in Orientalist and historical scenes such as Delaroche's *Princes in the Tower*.

The house is full of sumptuous, 18th century French furniture, among it pieces made by Riesener for the empress Marie Antoinette. There are masses of clocks and three rooms of magnificent Oriental and Renaissance arms and armour plus bronzes, maiolica and porcelain, miniatures, boxes, and fascinating little 17th century wax portraits.

As an art collection, the Wallace is first rate and wonderfully varied. Nothing is ever lent, so you must either go to Manchester Square or miss the masterpieces by Titian, Rubens, Rembrandt, Velazquez, Van Dyck, Reynolds – and, of course, Frans Hals's *Laughing Cavalier*.

Sir Richard Wallace, the marquess's illegitimate son, was also a passionate Francophile. His widow, who had once been a Parisian perfume-seller, bequeathed the contents of Hertford House to the nation. Entry is free and there are many guided tours. Tel: 071-935-0687.

Until the end of October, a natural pair for the Wallace is the exhibition at the little Queen's Gallery at Buckingham Palace (071-930-4832). It features paintings and furnishings collected by George IV as prince regent.

His close companion in mischief was none other than the disreputable third marquess of Hereford, each spurring the other to fresh extravagances. Sadly, Carlton House, for which George laid out such a fortune, no longer survives but the exhibition, hung in rich red, well captures a society of dazzling opulence.

You will have to wait until 1993 to see Apsley House, another grand mansion with a magnificent collection, because it is closed for repairs. As for the Courtauld Gallery's collection of Old Masters and Impressionists, it is too well-known to need introduction. Remember that it has moved from Bloomsbury to Somerset House on the Strand. But if this is your first visit to the new home, prepare for a shock. To my eye, at least, the colours of the new galleries are bilious and the lighting and general standard of decor decidedly peculiar.

For beautiful paintings in a classic country house setting, you should visit Kenwood House in Hampstead Lane, on the north edge of Hampstead Heath. The great white building was remodelled by Robert Adam in the 1760s but was to have been pulled down after the First World War. Mercifully, the Earl of Iveagh saved it and also bequeathed his collection, which includes masterpieces by Vermeer, Gainsborough, Rembrandt and Reynolds. Approached through rhododendron woods, the house looks south across parkland. If you have children who are allergic to art galleries, one partner can take them down to the lake or feed them ice cream in the outdoor restaurant while the other enjoys the collection. Kenwood is very popular with Londoners but during the week it should not be too crowded (tel: 081-348-1286).

You should also head in the opposite direction, to south-east London and the Dulwich College picture gallery. It is reached easily, first by train and then a short walk along a leafy road. Built by architect Sir John Soane in 1811, this fascinating building was the first purpose-built art gallery in Britain. It contains fine 17th and 18th century paintings, including works by Poussin, Claude, Rembrandt, Rubens, and Murillo.

Soane's own house, at 13 Lincoln's Inn Fields just off the Strand, was made into a museum (tel: 071-405-2107) and remains an inspiring example of what a talented architect can do to create the illusion of space. In Henry James's novel *The Reverberator*, a pair of adulterers choose the Soane museum on a wet afternoon as their place of assignation, down by the famous sarcophagus of Seti I. Those with more innocent intentions will find paintings by Hogarth and Canaletto, among others, and Soane's fascinating collection of antiquities.

My final recommendation is another great man's house – without artistic pretensions, it is true, but with a remarkable atmosphere. Like Soane, psychoanalyst Sigmund Freud was a great collector. However, most people who visit the Freud Museum at 20 Maresfield Gardens, Hampstead, are as attracted by the famous couch and the green tub chair as by the antiquities.

Freud spent his last year in this house, and Anna Freud lived and practiced here as an analyst until her death in 1979. The study is intensely evocative, as are the home movies screened upstairs in which the elderly Anna describes the life of the household (tel: 071-455-2002).

City in doubt

Continued from Page I

them fear a revival in the animal spirits of the Labour municipal left.

It is not easy to explain why London has found it so difficult to secure a settled form of government. Some think it goes back a millenium – to embattled monarchs in the Tower of London to the east, the rising political class in Westminster to the west, and the merchants in between, all pursuing their interests jealously. Others repeat the cliché that London is a collection of villages. It is true that no consensus exists on either the internal or external boundaries of the city.

To some extent, London's problems are essentially those of Britain, magnified. The crisis in education and training, and a centralising government's assault on the fiscal autonomy of local government, are by no means exclusive to the capital. But London is special, if only in size and international connection.

"Major change requires huge sums of money, which will always be controlled by government. It is naive to believe otherwise," says Sir Peter Bowness, Tory leader of Croydon Council.

Sir Ralf Dahrendorf, warden of St Antony's College, Oxford, and a prime mover in the better London debate, thinks none of the political parties has thought the matter through. He and a small, private group of other London notables are busy drawing up their own blueprint for the capital's government. He sees a flexible supervisory body with "a directly-elected element" and is "radical without being abolitionist" about the Corporation of London. He declines to answer the critical question about funding, but must know that any body depending for cash upon either the boroughs or central government will be as fatally weak as the GLC.

History, alas, suggests that none of these bright new ideas will last. As a study by the London School of Economics study for the Joseph Rowntree Foundation concluded glumly last year: "No system of London government has yet been capable of providing a robust and long-lasting solution. It is possible that such a thing does not exist."

Tony Travers, one of the authors of the LSE-Rowntree report, thinks Londoners might do best to think practical thoughts rather than pursuing unreachable ideals of government structure. "If the tube worked as well as in Paris, a large proportion of the problem would go away," he claims. David Bayliss, London Transport's chief planner, says that is exactly what Londoners can expect by the end of the decade. With an investment programme heading for £750m a year, London is in the middle of its biggest tube investment boom since before the Second World War. Bayliss, an old GLC man, says: "it's relatively easy to lay down good policy; the lesson of the GLC is the difficulty of implementation." That, unfortunately, is not an observation with much political sex appeal.

It does not do, however, to be too gloomy. Unless you are part of that minority condemned to live in stained concrete tower blocks, London has a great deal going for it. The biggest, most diverse arts scene anywhere. An absence of no-go areas, even in its most ill-treated parts. The view from Primrose Hill at dusk. Even London's behaviour towards the homeless at least stops short of water cannon, which cannot be said of some other European cities.

In the end, cities get the politics – and, indeed, the buildings – they deserve. V.S. Pritchett, in his 1962 essay *London Perceived*, wrote: "London is before anything else the world's market . . . This no doubt explains why London is the least splendid, the least ostentatious, of capitals."

A couple of weeks ago, I was talking about this article over lunch. We were vigorously debating the potential democratic dimensions of the new London when the waitress came to take our order. "The great thing about government," she said, "is that we never get as much as we pay for. Mark Twain said that."

She told us she came from Pennsylvania. A true Londoner.

WEEKEND
LONDON

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Still feeling the after-shock of a boom

***Mira Bar Hillel** says the question is not 'when?' the London property market will pick up but 'where?'*

ONE of the first things which will strike a visitor to London is the huge number of For Sale boards festooning its finest streets. Indeed, in Westminster the local council has taken stern measures to limit the number and sizes of the boards as vendors' desperation had begun to hide the very properties they were trying to shift.

After three years of stagnant or falling prices, London's houses are becoming much more reasonably priced in comparison with several other capital cities.

In spite of the uncertainties of the market, there has not been, in recent memory, a better time to buy or rent in London. But some courage may be needed, because few agents are predicting an immediate revival in prices, and they may yet have some way to fall, depending partly on the result of the General Election on April 9.

John Thorogood, a Wandsworth agent, says there is "quite a lot of viewing but no sales" because bargain hunters are making offers "well below acceptance levels." But others are finding vendors prepared to accept very low offers "on the understanding that they can get a similar reduction on the property they are buying".

This suggests that buyers and vendors are adjusting to new conditions, although the process could depress prices further.

The prospects, however, are markedly different in the many "villages" of London. A favourite guessing game is to predict not so much when the recovery will begin – but where. The smart money is on Battersea, Chiswick, Barnes, Putney and West Kensington. These are areas which are either well-established or soundly up-and-coming – but which did not go over the top during the last property boom as Clapham, Ealing and Fulham did.

In Chiswick, values have fallen relatively little, specially for fine traditional family houses, down about 4 per cent from last year (to an average £250,000) while small flats lost 6 per cent (to about £68,000). In Putney family houses lost about 3 per cent (to £188,000) while small flats stayed steady at about £67,000. Similar prices and movements apply to Battersea, while in Barnes both houses and small flats dropped about 4.5 per cent (to £187,000 and £74,000).

In Clapham, which was almost level pegging with Battersea two years ago, all but the family houses lining the common have dropped. Gentrification, which pushed up prices in Ealing and Fulham as well, has virtually stopped as home owners realise that pumping money into property is no longer a guarantee of profits.

Some of the cheapest flats in London, in the £40,000-£45,000 range, are in Croydon, Mitcham and Morden. This end of the market is being kept low by the the tidal wave of re-possessions coming up for sale.

Whatever they may claim, measures taken by the Government and the mortgage lenders have done little to stem this tide. The number of lenders' actions for repossession coming to London's County Courts is, if anything, up on last year. Relatively prosperous areas are suffering, such as Barnet (129 actions for repossession in February 1992 compared to 73 in February 1991); Wandsworth (199 up from 133) and Kingston-on-Thames (108 up from only 22).

Some first-time buyers are still waiting for further price falls or repossession bargains, but those looking for a place to live rather than a short-term investment should not wait much longer, especially if they are paying rent.

Unusually, it is London's best-known areas which seem likely to stagnate as the rest of the property world settles down round them. Properties in Chelsea, Dulwich, Hampstead, Highgate, Kensington, Knightsbridge, St John's Wood, Richmond and, of course, Mayfair and Belgravia have held their values, mainly thanks to overseas investment. But in the absence of a lively market at home, they are unlikely to rise in the near future.

At the top of the market you need to be very rich to make the big notional "savings". It is open to question, for example, whether 19 Upper Phillimore Gardens, now on the market for "only" £9.75m (about £1m per bedroom) was ever worth its previous asking price of £12.5m.

On the other hand, Janet Holmes à Court has not reduced her asking price of £17.5m for Grove House in Regents Park.

Also in Regents Park the Crown Estate have chosen to delay the marketing of the completed Gothick (sic) Villa, the third in their Nash-style classics, rather then reduce the price of the £9m Villa Veneto for the sake of a quick sale.

The Government has proposed to allow leaseholders of high-value houses to buy their freeholds, a right denied them under existing leasehold law. Flat leaseholders excluded from the new right to buy would be entitled to have their leases extended.

These proposals would affect hundreds of thousands of properties in London's prime areas: Mayfair, Belgravia and Kensington. The leaseholders' association is delighted. But the Grosvenor Estate, owned by Britain's second richest man, the Duke of Westminster, warns that if it ceases to be the landlord, properties would soon deteriorate. "This could be a very sad day for historic London," the Estate said.

Grosvenor property certainly has a special cachet. Margaret Thatcher recently paid £700,000 for a 10-year lease on a flat in Chester Square.

The former residence of Lord Aberconway, 38 South Street in Mayfair, is another Grosvenor leasehold. The asking price for the remaining 75 years has recently been reduced from £12m to £8.45m. The selling agent, Paul Taylor of Savills, admits that it would cost a further £3m to £4m to renovate it in the style to which prospective occupiers would be accustomed. In addition, the rent for the first 20 years alone – £200,000 – would nowadays buy a pleasant family house almost anywhere else in London. Will the new owners have enough left over to buy the freehold?

The Grosvenor has also warned that the proposed leasehold reforms in central London will have "dramatic consequences on the housing market". But so inscrutable is the current market that even experts such as the Grosvenor are not sure whether the result will be a collapse in values, or the opposite.

The latter could only result from an onslaught on the market by foreign buyers and investors.

"London residential property is excellent value compared with places such as Vancouver and Sydney," says Robin Paterson, managing director of Banard Marcus. "It is attracting inquiries from Hong Kong and Europe".

Trends aside, historic one-offs can still cause a flutter in the current doldrums. A City financier has just decided to spend £25m to convert Crosby Hall in Cheyne Walk, which contains a medieval banqueting hall dating to 1475 and associated with names such as Sir Thomas More, Richard III and Sir Walter Raleigh, into a family home.

At the other end of the scale, an old listed cottage "in awful condition" in one third of an acre of wilderness was on offer in Newbury. "In just three weeks we had 57 viewings and 11 offers" said the astonished agents, Dreweatt Neate. "There's no accounting for taste".

Full-price: Janet Homes à Court has not reduced the £17.5m price tag on Grove House, Regent's Park

OBITUARY

JOHN BRENNAN

JOHN BRENNAN, whose informative and entertaining analysis of the residential property market became one of the cornerstones of the *Weekend FT*, died last week.

John, who was 42, wrote with flair, insight and authority on a subject attracting more than its fair share of armchair experts.

An intensely professional man, he was a journalist of absolute integrity. John never regarded his column for the *Weekend FT*, which he contributed while running his own publishing business, as an opportunity merely to pen graceful prose about stylish country mansions.

The topics he served up for weekend readers ranged from the problems of first-time buyers to the challenge of coming home to find it taken over by squatters. He never lost sight, however, of property's entertainment value, keeping track of the latest craze for golf or marina developments or occasionally telling readers what they could buy for £10m in central London.

After university, John started his working life as a tax inspector before entering financial journalism with the *Investors Guardian*, where he became features editor. He joined *Investors' Chronicle*, becoming property editor, and left to join *The Times*, where he was appointed insurance correspondent.

In 1977 he moved to the *Financial Times* as the paper's commercial property correspondent. He left the *FT* in 1979 to become the first news editor of *Financial Weekly*. After a spell as co-editor, he joined Bill Davies at Headway Publications, acting as launch editor for several titles.

He left Headway, and with Rose Davies jointly founded Inc Publications, where he was editorial director. He also created *The London Magazine*.

He is survived by Holly, his wife, and three young children.

Michael Cassell

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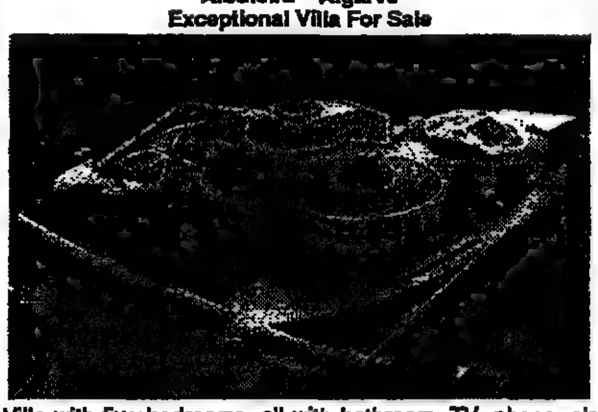

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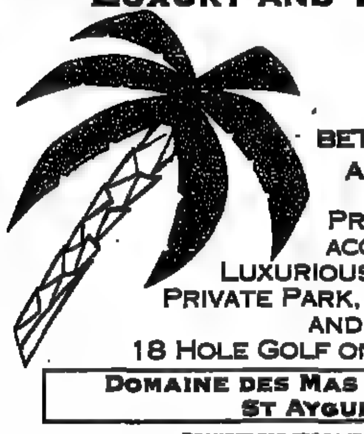

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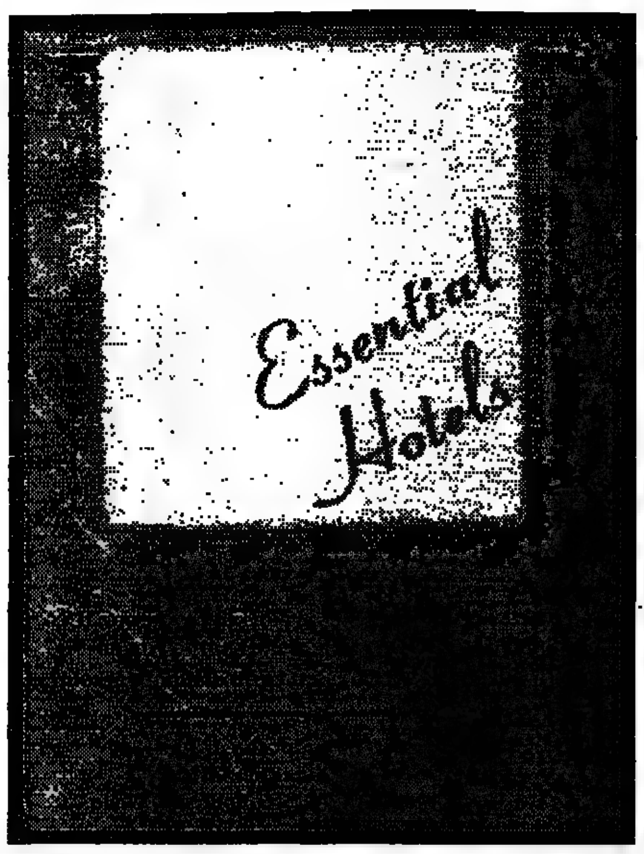

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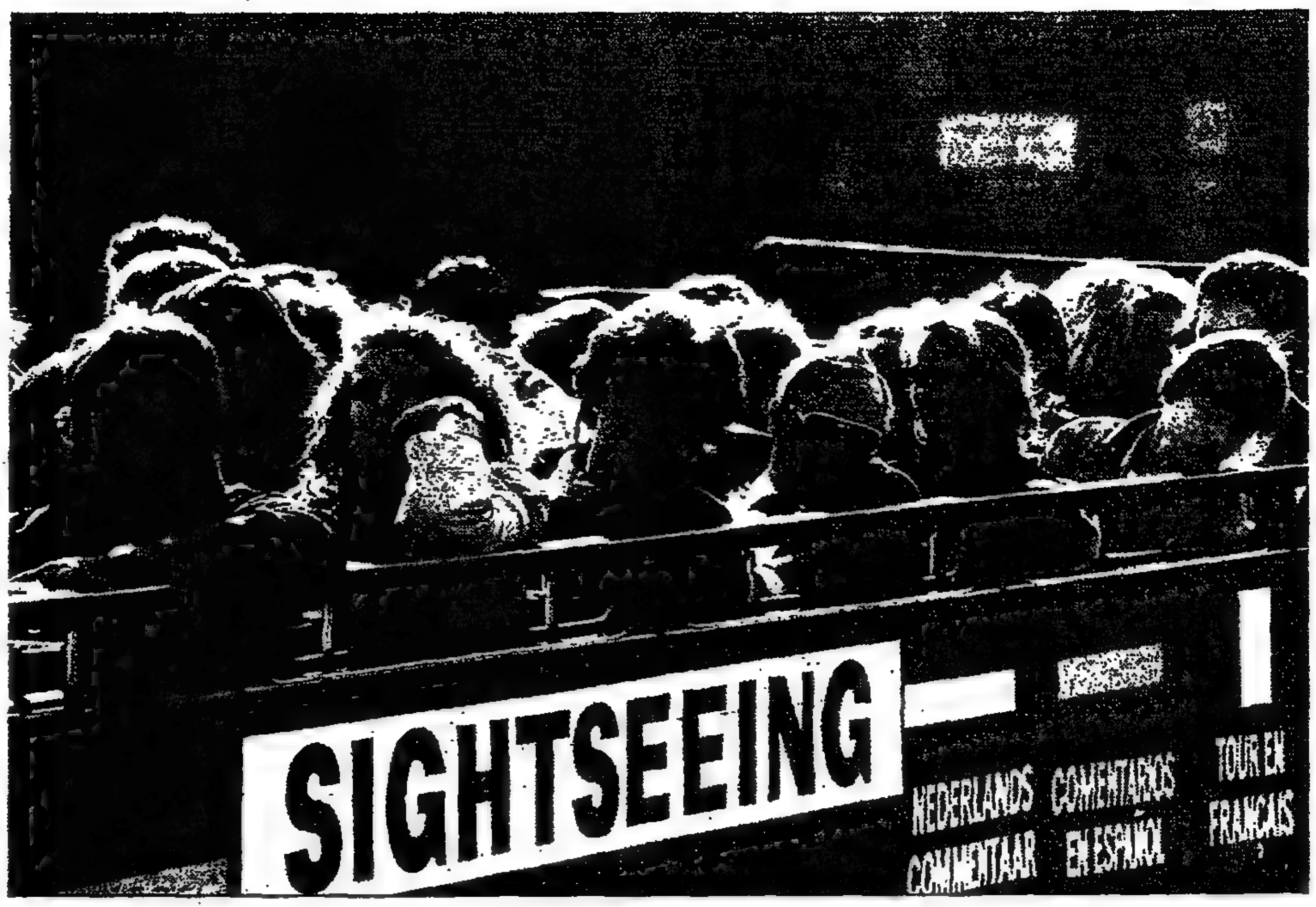
WEEKEND LONDON

- A time machine that traps the tourists
- Fakes and ale

The city that only the visitors see

Christian Tyler discovers the London reserved for tourists



WE HUDDLED like sheep in the lee of the Albert Hall in west London, the wind whipping at our legs. It was 8.45 on Saturday morning. "Bath overnight!" someone shouted. "Third coach down, please!" "Windsor and Hampton Court, follow me!" We milled about, stamping our feet.

"West End? Tour Number One. Bus at the end." The bus was warm and we sank gratefully into the upholstery. Outside, a group of Japanese girls in windblown gymslips were taking each other's photos. (Just what do they do with all those pictures when they get home to their tiny flats in Tokyo?)

The guide was humorous and his breath smelled of vodka. He ejected a group of Spaniards ("You're Salisbury and Stonehenge, you lot"); then he counted us.

It felt good to be counted. Now there was nothing more to worry about. All the stresses of being in the great metropolis melted away, our brains disengaged, and we were able to watch the scenery float by like some half-remembered travel movie.

"All this was country, once," the guide confided to his microphone. "On your left you will see Hyde Park where the kings used to hunt stags and deer." We thought we remembered watching, at the age of three or four, the bigger boys sailing their toy boats on the Round Pond. But that must have been in another life. We were seeing Hyde Park for the first time now, and we sighed appreciatively.

It is a cliché to say that London is not one place, but many. Today, we were discovering a London we had never encountered before, a London that only visitors see. Its outlines were familiar but its substance was very different.

Did you know, for example, that the city was founded in the spring of AD 43? Or that English history ended, more or less, with Queen Elizabeth I?

A few things happened later, to be sure, like Harrods, the Duke of Wellington and Charles and Di. There was also Downing Street where the former prime minister, Mrs Thatcher, used to live, but no mention of the IRA which forced her to put big steel gates across its entrance.

The statue of Abraham Lincoln in Parliament Square interested the Americans among us. The name Jan Smuts rang no bells. Beyond Smuts was the effigy of a large man in a bronze overcoat, staring grumpily at Big Ben: but they didn't tell us who he was.

We were Japanese, Taiwanese, Chilean, Portuguese, Italian and American, a tour of Babel, unencumbered by prejudice or the slightest knowledge of England's past. However, we liked our guide a lot: he was not bossy or greedy like the ones we had in Europe last week.

Also, you could tell he knew his stuff (he had an official badge like the bus conductor's, and we found out later he had done two years' training). He certainly knew enough not to weigh us down with boring detail.

He took us to Westminster Abbey, which was built on an island in the river and is paved with the tombs of dead celebrities. "Don't bother walking round them," our guide said. "You can't help stepping on somebody."

Oddly enough, there were no chairs or pews in the nave; we supposed they just put those in for coronations and royal weddings. Disappointingly, the facade was covered in scaffolding and sheeting, like many of London's famous buildings.

The abbey was confusing, not only because of all the kings and queens buried there but because of the one-way traffic system which kept taking us back through the brass-rubbing cloister. But we were lucky, too, because we arrived on one of the few days in the year when they lift the carpet from the High Altar and show you the Cosmati mosaic underneath – "the best example north of the Alps," the guide said.

Put down in 1268 for King Henry III, this pavement from Rome is studded with porphyry, onyx, serpentine and glass, has a mystical meaning and forecasts that the world, or *primum mobile*, will end after 19,683 years.

We did not have time to ponder all this. Our guide had warned us to stay close or we would not find the coach again and would miss the Changing of the Guard.

We were driven to St James's Palace (also covered in scaffolding) and watched the Grenadier Guards march up to the Palace. A young policewoman, very haughty in skin-tight jodhpurs, cleared the way for them.

When some of us, eager to get pictures, refused to stay on the pavement, she gently backed the rump of her mare into them. The guide told us that this girl stands in for Her Majesty the Queen for rehearsals of Trooping the Colour.

The sentry outside St James's provided a wonderful photo opportunity. He was very tall and tight-lipped and didn't seem to mind. Someone told us that young women sometimes write their hotel telephone numbers on bits of paper and stick them in the guardsmen's belts. Nobody did that today, so far as we noticed.

Later, while we waited for the other detachment of guards to march out of Buckingham Palace, we talked to the American next to us. He was pretending not to be impressed.

"You should see Atlanta, Georgia," he said. "Capital of CNN Television. They won the Gulf War!" Ah, but who did they win it *for*? we asked.

We hoped our friend didn't notice when the guardsmen, emerging from the palace gates at a slow march, made a shambles of breaking into quick time.

This part of the tour was over, so we tipped the guide and repaired to a typically English restaurant for lunch: Green's, in Duke St, St James's. On the walls were hung some unfunny cartoons by someone called Jak. There were no English people there.

Behind us sat a large Italian family. In the corner was a well-ironed American businessman with a reconditioned, Ivana Trump-style wife. Beside us sat another American, a doleful man with a very fat and spoilt son aged about nine who made cute comments between gargantuan mouthfuls. Deprived of real English people to eavesdrop on, we ordered native oysters, which were very good, and fish and chips, which were a disgrace to a great nation.

Luckily, or so we thought then, we were saving our appetites for the evening. The brochure given us by two of the smartest hotels in London contained several suggestions: "a rollicking evening at the court of King Henry VIII" in the cellar of a warehouse at St Katherine's Dock; a "spectacular cabaret in the luxury venue" of the Talk of London in Drury Lane; and a Cockney Cabaret in Tottenham Court Road.

Fortunately, perhaps, all three were sold out that night so we plumped for the Elizabethan Banquet at Hatfield House, 30 miles out in Hertfordshire. And a rollicking evening it turned out to be, too.

We were a different lot on the coach that left Trafalgar Square at dusk, but as polyglot as ever. Our driver clearly had decided we were therefore mentally deficient, and wearied us all up the A1 with his Ladybird Book version of Elizabethan England. But our spirits were lifted by what greeted us on arrival: a genuine Tudor hall with vaulted roof, hung with stags' heads and tapestries (less genuine).

Long wooden tables ran up to a red-carpeted dais in the centre, on which stood a throne occupied by a jester in a goatee beard and red-and-white striped tights. Opposite him sat a harpsichordist and a ruffed-and-gowned lady who played on the recorder, shawm and crumhorn.

A prancing Earl of Leicester entered, followed by the Virgin Queen herself, robed magnificently and punning as horribly as her *Blackadder* counterpart. Wenches with big jugs (so the Queen put it) poured out mead and wine, bouncing on our outstretched knees as they passed. Who said the English were reserved?

By the time the juggling fire-eater had done his turn, the place resounded with the drumming of male fists and the shrieks of their womenfolk. Then, a small and smiling Italian named Luigi was hustled to the podium to play Hunt-My-Lady's-Garter (more shrieks) and receive a knighthood.

A young man from our table, overcome with fumes of mead – or was it pre-match ale? – lurched outside and tried to assault the prettier of our wenches. Her friends overpowered him, stripped him to the waist and returned him, daubed with lipstick but unrepentant. The climax was reached with a general sing-song, a conga round the tables, and wenches pouring water down each other's cleavages. So our banquet ended, at 10.45 precisely.

And the food? We nearly forgot to mention it. But who would come to London to eat when there is so much history to gorge upon? Actually, the food was dreadful.

Tips for tipplers

Tony Jackson offers some advice about London's pubs

Pub life in London . . . and only the cribbage is missing

THERE is a curious tendency for drinking establishments to call up a mental picture of what they ought to look like. Thus, the French café has stripey awnings and Pernod on the pavement. The Bavarian beer hall has blonde waitresses and men in funny hats. So it is with the London pub. Inside are the cheery Cockneys, singing along with old Lil on the piano. Beer is fourpence a pint and everyone is on first-name terms. Outside, it is foggy and there is a distant shriek as Jack the Ripper strikes again.

The vexing thing about such images is that they are not so much wholly wrong as misleading in practice. There is such a thing as the sociable London pub, where families and friends get together, the bar staff know the customers and conversation is general. Statistically, such establishments are outnumbered heavily – in the city centre, especially – by pubs where the social life is reminiscent of a motorway café halfway up the M1. The clientele is transient and largely solitary; the decor is unvarying; the prices are extortionate; and the absence of conversation is masked by the juke box.

In seeking out pubs of the first category, I suggest applying what I will call the law of negatives. I cannot claim to have invented this. Some years ago, the head of one of the big UK brewers remarked to me that all its market research showed people defining the kind of pub they liked in purely negative terms. A good pub is not too noisy or, alternatively, too quiet. It does not have live music, pop videos or exotic dancers. It does not have too many old men in flat hats playing cribbage and dominoes.

For our purposes, the same principle can be expressed in a few simple rules.

■ Avoid pubs with a view of the Thames. These are gold mines for their owners and, generally, run accordingly. The typical clientele consists of coachloads of Continental tourists clutching tickets entitling them to a half-pint of genuine English bitter. The bar staff are harried Australian juveniles who will always serve you last – unless you are female, in which case they will not serve you at all.

■ Avoid pubs near railway stations, especially the main line termini. Some very odd people travel to the metropolis, and some even odder ones are there to meet them.

■ Be careful of any pub with a piano: someone might start to play it. The days of the competent pub pianist are long gone. What you will get now is either a piano bar pianist, which is a very different thing, or a self-taught enthusiast who believes every known melody can be fitted to the harmonic structure of Pop Goes the Weasel.

■ Watch out for pubs offering karaoke nights, live sport coverage by satellite, or bottles of Mexican beer with a chunk of lime wedged in the neck. Their presence argues that the pub round the corner will be reasonably free from the kind of people who actually like karaoke, Mexican beer and so forth.

Positive ways of identifying the right kind of pub are harder to come by. There are large tracts of 19th century London where the only worthwhile architectural features are their pubs and warehouses. South London, in particular, still has a number of vast old Victorian gin palaces with gilt mirrors, red plush curtains and ebony elephants on either side of the fireplaces. The snag is that they are mostly in remote regions like Wandsworth and Tooting Bec.

Above all, it is worth remembering that even the sociable kind of London pub is not at its best during the week. Conceivably, there was a time when cheery Cockneys did go with their families to the pub on weekday evenings. If so, they stopped when television arrived.

Weekends – Sunday lunchtimes, especially – are another matter. All that is needed is the kind of pub with a varied and interesting population living around it, where at least a reasonable number of the regulars know each other and women – preferably children, too – feel at home. As it happens, I know such a pub not far from where I live in North London. I shall probably be popping in there this weekend. But, to borrow a line from Jerome K. Jerome, I am not going to be idiot enough to advertise it.

WEEKEND
LONDON

- *A music critic grieves ...*
- *Si monumentum requiris*
- *Lost in the movies*

Musical jewels in tawdry settings

"London – classical music capital of the world": the phrase has by now a *familiar* ring. No doubt its coining is owed to the number of regularly active bodies and places that make all the music happen: the five symphony orchestras; the numerous chamber orchestra, and choirs large and small; the six central concert halls – seven if you count the Albert Hall, home of the summer Proms; the plethora of events in churches; and much, much else.

In recent years the concert scene, unlike the operatic, has become a good deal less rich in terms of novelty (old-musical no less than new-musical), variety and chance-taking; but it is still possible to catch a big Mahler or Bruckner symphony conducted by one of the current Big Names, a substantial choral masterpiece, a prestige solo or chamber recital, most weeks of the year.

I have been a London music-follower for 25 years, as (successively) tourist, music student and critic, and I wince whenever the phrase crops up. "Capital", after all, means not just "head town of country, county, etc." (OED) but also "important, leading, first-class" or even "(colloq.) excellent, first-rate". The ingredients – programmes, interpreters – may indeed often be first-rate, but the receptacles are almost all unworthy, in one way or another, and the final product is too often tinged, even tainted, by the unworthiness.

It is an extraordinary situation: a city of London's musical importance possessing not a single fully satisfactory concert hall but, rather, a collection of them, each with flaws and faults capable of limiting an audience-member's delight in performance.

My categories of measurement require a brief run-through: acoustics, sight-lines, seat-comfort, but also ease of access and egress; quantity and quality of the facilities for food, drink and pre-concert or interval ablution; and general ambience. All these things contribute to the total experience of concert-going, pleasurable or otherwise.

The success, acoustical above all, of Birmingham's new Symphony Hall, provides Londoners with a chastening set of comparisons. Only one of our halls rides high in at least the first three of my categories, providing satisfactory basic requirements for listening: the Wigmore Hall, home-from-home for all followers of chamber music, instrumental recital and song. The acoustics shed a bloom, particularly on voices; no audience-member feels too distant from the platform; it is a cosy and a welcoming place.

In the narrow, poky ante-chamber, however, feelings of cosiness have been known to diminish drastically. This may change by October, for the Wigmore is currently midway through an eight-month period of closure for renovation and extension; the plans were undertaken with the aim of giving a concert-hall jewel the suitably spacious setting it has always lacked.

Piecemeal, much is worth celebrating, but the whole picture is not enticing.

For the South Bank complex – comprising the large Royal Festival Hall, medium-sized Queen Elizabeth Hall, small Purcell Room – more far-reaching overhaul plans have been drawn up, and will be put into action in (it is hoped) 1995. These include pulling down the building containing the QEH and the PR and re-siting both in unattached positions adjacent to the Festival Hall, which will have its web of hideous grey walkways removed.

It is hard to know which hall causes the visitor the deeper misery, the Queen Elizabeth or the Purcell. The depression induced by their sullen concrete casing, gloomy lighting and unclearly-numbered black-leather seating is common to both; the acoustics of both make all but the most finely poised and focused performers sound tinny and dynamically uncertain, as if heard through the wrong end of a telescope. I plump for the Purcell as the greater horror.

The Royal Festival Hall, which will survive intact in the re-development scheme, is not exactly misery-inducing; but the neutral environment offers no lift to the spirits, the lack of leg-room is penitential, and the dry acoustics, notwithstanding their electronically added resonance, wrinkle the lineaments of all the bigger works performed there. The drive to attract increased numbers to the bars, restaurants and exhibition spaces of the foyers has proved all too successful, and put a strain on the building's upkeep that has become unpleasantly obvious, particularly at weekends.

In view of all the self-satisfied crowing that has recently accompanied the 10th-birthday celebrations at the Barbican, it is perhaps salutary to point out yet again the many things that make the place so profoundly unlovable, such a trial to visit. Arrival by tube necessitates a foot-slog along mean elevated paths and grim pavements; arrival by car, a nightmare search for parking.

Inside the concert hall, the feeling of comfort, physical and visual, does at least work toward soothing of sensibilities already ruffled by all the external irritants and failings. The acoustics have been noticeably improved by the removal of the glass roof-hangings, though big climaxes still tend to clot.

I shan't dwell on St John's, Smith Square, which seems to have lost its way as a front-ranking concert-hall, for reasons which (to me at least) are all too plain: the hall, though handsome, is coldly uncomfortable, the excessively reverberant acoustics suit few types of music, and the prices of the crypt restaurant are discouragingly high. It is an alienating environment. During the Proms, the Albert Hall develops a festive atmosphere which it lacks at other times.

Does all this matter? I believe it does. A capital's housing of its musical life surely reflects a nation's attitude to culture in general. In London much music is on offer, but in places that do it – and its audiences – less than justice. Piecemeal, there are many things worth celebrating; but as a whole, the picture is not enticing.

Max Loppert

Radio

Murder most foul

MORSE, Maigret, Taggart and Wexford lead the pros and hard behind them come the amateurs – Holmes, Poirot, Wimsey and the rest, heading the charts on TV screens and radio, nowadays often both. Not only has TV Morse been promoted to Chief Inspector and his films extended to two hours, here he is tonight on Radio 4, same personality but new voice, solving (from a hospital bed) Colin Dexter's *The Wench is Dead*, a case that happened a century ago. Detective plays rely mainly on their solutions, so no more about that.

We had a real murder on Monday, *Darling Peidi*, the case that, as aficionados know, ended with the hanging of Freddy Bywaters and Edith Thompson. Half Shelagh Stephenson's treatment told of Edith's adulterous love for Freddy, eight years her junior, and director Jeremy Mortimer kept this as sentimental as Edith's letters. But the last half-hour covered the murder and trial, and there was nothing sentimental about either. Rachel Joyce as Edith made true horror of the last scenes, which included the hanging – not in detail, I am happy to say. For the record, Edith's guts fell out on the scaffold and Ellis, the hangman, who had had to make special body straps to get his distressed subject to the trap, killed himself shortly after.

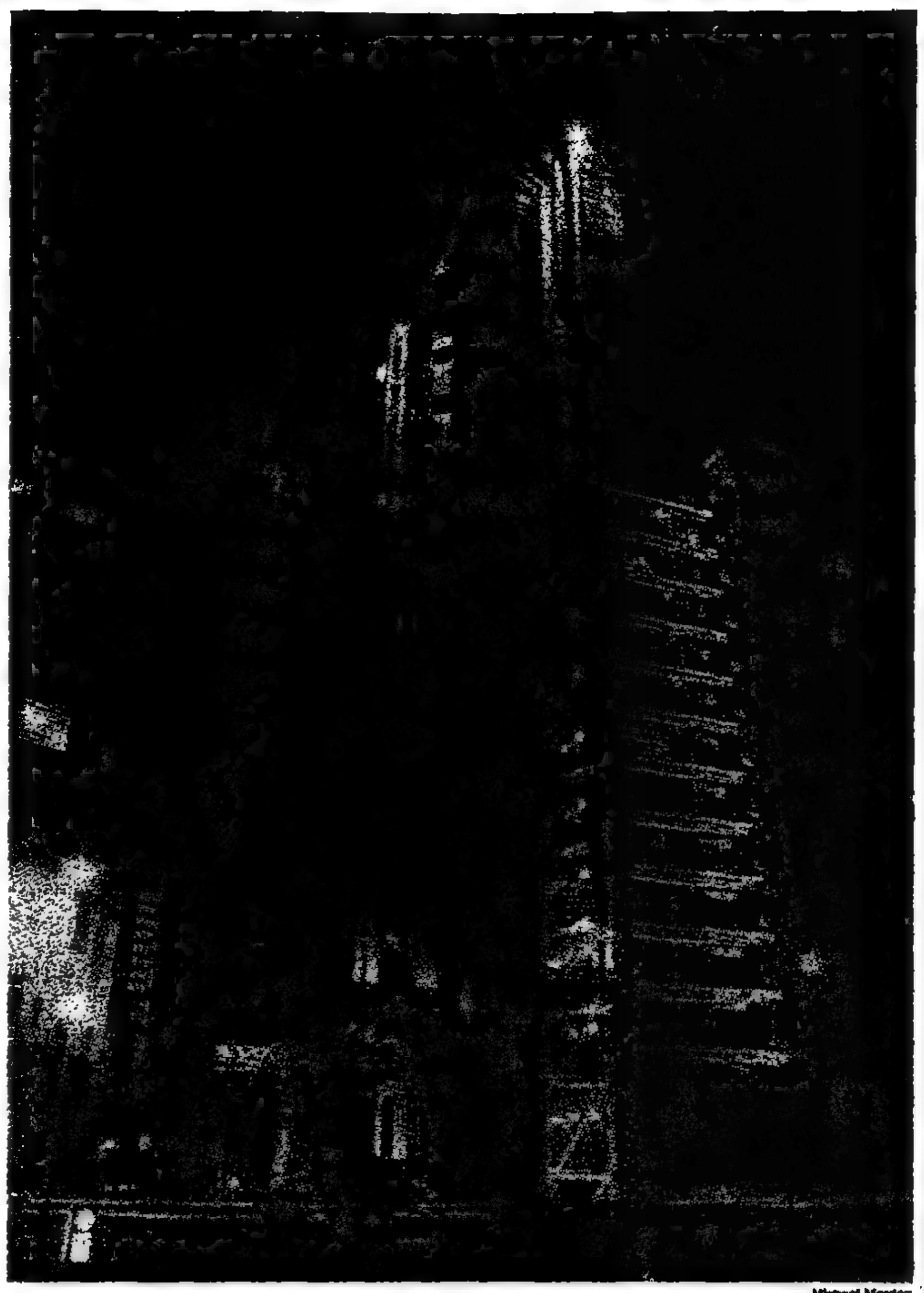
Radio 4 also gave us two sudden deaths in *Fatal Reaction* on Thursday, only this time the police were the killers. Twice recently there has been argument when armed police have shot men who appeared to be threatening them with firearms: in Ian Gordon's case because he was mentally unstable; and in Ian Bennett's because he was helplessly drunk. Both firearms proved to be potentially harmless – one a toy, the other a reproduction.

This programme suggested that additional training for armed police might enable them to deal less lethally with such cases. No procedure can fit every case; but it was interesting to hear the discussion.

Official reaction is more severe in Iran, to judge from *Prometheus in Evin* by the Iranian writer Iraj Jannatie Ataie, (Radio 3, Tuesday). A dissident writer is imprisoned in the notorious gaol Evin, flogged, tortured, his wife raped by an "interrogator". His ultimate punishment is publicly to renounce all his beliefs on television. As with Prometheus, unacceptable education is punished by permanent display of defeat, while enemies tear at the intellectual vitals. It was a horrifying play, well done by David Rintoul as the writer and Vivien Heilbron as his wife. Matthew Walters directed

Radio 3's Sunday production of Pinter's *No Man's Land* was good enough to challenge the matchless original. Dirk Bogarde as Spooner and Michael Hordern as Hirst were not like Gielgud and Richardson; they were simply Spooner and Hirst. What is the play about? "You are in No Man's Land, which never moves, never changes, never grows older, remains for ever icy". That is what it is about, and to my mind Pinter has never written anything better. Janet Whitaker directed.

B.A. Young



Michael Marden

Richard Rogers' hi-tech Lloyds of London building by night is a welcome exception to the rule

Bland architectural monuments to Mrs T

Colin Amery on the fruits of market-driven building

CAPITAL CITES around the world bear the marks of their governments and rulers. In Paris, Presidents of France have always followed in the footsteps of Louis XIV and found architectural ways of expressing "la gloire". In Bucharest, President Ceaucescu used architecture to wipe out the past in Romania and to build avenues to the empty triumphs of socialism. Today in Spain, a World Fair and the Olympic Games are both producing monuments that celebrate the end of restrictive government and the arrival of democratic freedoms.

Where do you look in London for the monuments of the Thatcher era? As a leader not entirely immune to a touch of "la gloire" herself, she seems to have been happy to let the market produce the monuments rather than dictate her own vision in architectural terms. There were many occasions in the last decade when Mrs T could be seen at the wheel of a bulldozer launching the construction process surrounded by mere men in their hard hats.

Any Thatcher tour would have to begin at Broadgate by Liverpool Street in the City, where the Prime Minister, after driving the earth mover a few yards, shouted at the assembled power brokers of the property world that she would be back to declare the finished development open.

The Broadgate development and the new Liverpool Street station form one of the better monuments of the era. They also show off perfectly the architectural and stylistic debate of the times. From the restraint of the early phases designed by Arup Associates and Peter Foggo, the whole scheme moved into the over-scaled post-modernism of the Bishopsgate buildings (designed by the American firm of Skidmore Owings and Merrill) that tower over bedraggled Spitalfields.

Travel further East and you are soon in the heart of Thatcherland. Her government's idea of the Enterprise Zones where planning and rating procedures were suspended to encourage development, can be seen in its built form in London's Docklands. Here is the habitat of that endangered species, the yuppy: carefully designed brick boxes where he and his mobile telephone lay down to rest for few hours between deals. Here is the leather chair in the loft where the Nescafé was sipped while property prices boomed and burst. Here in Mrs Thatcher's dreamland, the view from the yuppies' window is a sad expression of non-planning and virtually non-architecture.

Far away from the City, on every yuppy's horizon, is that strange empty giant obelisk of Canary Wharf. This is perhaps her biggest monument and the most poignant. It stands in the only part of Docklands that has been well planned but it is as isolated from the reality of London as Ceancescu's dreams of a socialist heaven were from the reality of daily life in Bucharest.

Canary Wharf remains a practically unreachable dream: who knows whether the Tube will ever get there or whether the Docklands Toytown railway will ever stop breaking down?

To rival the easy-going development of Docklands in Mrs Thatcher's years, the City of London encouraged massive quantities of office building. Architecturally, almost all of this commercial development is without distinction. Perhaps Lloyds of London's high-tech dream by Sir Richard Rogers is the only significant, advanced architectural monument from those heady years. But Lloyds is not without its enemies. It has the controlling power of a great machine and many people find its demanding environment hard to work in.

To see the great commercial explosion in London – the 1980's South Sea Bubble of architectural development – conducted Thatcher tours would have to go down the Thames. At almost every bridge from Vauxhall to the Tower, nondescript office blocks wearing veneers of granite gaze blankly into the waters.

Stylistically varied from Aztec post-modernism to juvenile undigested classicism, the new Thatcher city is a visual nightmare of indifferent architecture. Perhaps the saddest monument is the crumbling landmark of Battersea Power Station – which was also the scene of a stage-managed appearance by Mrs Thatcher. Here, at a launch for its refurbishment, she spoke of her hopes that the powerhouse of the 1930's would be rejuvenated as a great leisure centre for the capital. It is now a collapsing ruin. *Lector, si momentum requiris, circumspice...*

A snare for film-makers

IN FOREIGN movie hands, London has suffered the fate of a dozen great cities across the world. The film-maker from abroad takes one look at the unknown urban maze and decides to concertina the whole thing into a few Instantly Identifiable Landmarks.

Big Ben, the Tower of London, Buckingham Palace ... to non-British eyes the city's crimes, passions and misunderstandings have long tended to take place under the collective shadow of these monoliths; just as the Eiffel Tower watches over everything in Paris, with accordion accompaniment, and all roads lead past the Colosseum in Rome.

There is something special about London, though, and the cinema has mined it, even unwittingly, since the silent days. The city is dark, large and formless enough to swallow passing innocents. For the first 30 years of film history, London was almost invariably Gothic. From American spine-curdlers like Lon Chaney's *London After Midnight* (1927) and Bela Lugosi's *Dracula* (1931), to subtler European fare like Leni's *Waxworks* (1924) and Pabst's *Pandora's Box* (1928) – both featuring Jack the Ripper – Britain's capital was a maze of dismal streets and alleys in which evil shadows reared out of fog and pounced on helpless waifs.

World perception of the British capital was so unflattering that it finally took a resident foreigner, Alexander Korda to make a series of movies which graciously reversed the canvas.

Korda and others gave us a London big with empire, royalty and tradition. Actor-knights like Ralph Richardson and Laurence Olivier were drafted to play prime ministers or members of parliament; fog was banished and in movies like *The Private Life Of Henry VIII*, *That Hamilton Woman* and *Henry V*, the city was a gleaming chunk of history patrolled by the great and famous. It was still a maze in which one could get lost but, this time, new turnings led to historical revelation rather than hysterical terror.

One of the ironies of cultural history is that Korda numbered among his friends the writer Graham Greene. As a film critic, Greene regularly spilled venom on Korda's cinema, not least on his patriotic visions of Britain and its capital. Greene's own emergent and distinctive vision of London was being shaped by the downbeat menace of films like Alfred Hitchcock's *The Lodger*, *The Man Who Knew Too Much* and *Sabotage*.

As Greene was to do in his novels, Hitchcock took London by the scruff of its skyline and shook it free both of Gothic fog and Korda-esque pretension. It was "seedy" but clear-visioned. And although it was full of Instantly Identifiable Landmarks, they were exploited for surprise and subversion. A lord mayor's parade was an overture to murder (*Sabotage*): the British Museum hosted a hair's-breadth chase (*Blackmail*); and Westminster Cathedral, accustomed to raising citizens to God, obliged Hitchcock by plunging a man to his death (*Foreign Correspondent*).

Hitchcock's was not the only voice raised in a counter-Korda spirit. David Lean, in his magnificent adaptation of Dickens' *Oliver Twist*, gave us a period London shorn of period glamour. Since that poetic high point in cine-portraits, it has been, if not all downhill, a fairly bumpy ride.

First, the 1950s gave us a sparkling picture-postcard London, courtesy of Hollywood: it was the decade of shopping-at-Harrods movies starring Deborah Kerr and Doris Day. Then, Swinging London put everyone into shock, since the idea of London as "fashionable" was as startling as a tramp announcing he was about to buy his clothes at Armani.

It could not last, we thought, but it did. Julie Christie and a host of New Age stars rushed about the town colonising it for mini-skirts and Beatles hair-dos, purple eye-shadow and flaring trousers. *Georgie Girl*, *Alfie*, *Help!*, *The Knack*, *Blow Up* – it was like an outbreak of St Vitus' dance in an old people's home.

Some 30 years have passed since then, during which London, mercifully, has resumed its proper, time-honoured identity – which is to have no particular identity at all save a tendency to sprawl and confuse. This means that the archetypal London movie motif – strangers getting lost – continues and those lost strangers often include the film-makers themselves.

But then, what would be left of London's character if visitors could find their way around? London prides itself on being all things to all people. In recent films, having abandoned the empire, it has found the empire coming to it. Swirling multi-ethnic films like *My Beautiful Laundrette* and *London Kills Me* show that topographical diversity is now matched by cultural. We have outgrown the clean divide between movies glorifying London *à la* Korda and those deglamorising it surgically *à la* Hitchcock. Like Britannia, London, having given up ruling the waves, now allows the waves to wash wildly and multifariously over it.

Nigel Andrews

WEEKEND LONDON

- *Pictures on parade*
- *A theatrical three-some*
- *Jazz hot and cool*

Drama in strange places

***Malcolm Rutherford** scours the London theatre scene*

LONDON theatre is not just the traditional West End. If you want a comprehensive view, you will have to be prepared to move around, often to unlikely places.

There are three broad categories and an ideal visit would take in something from each. First, the great subsidised theatres: the Royal Shakespeare Company at its London home in the Barbican, and the Royal National Theatre on the South Bank. Second, the West End which still accounts for around 50 theatres; then the fringe.

Not everything at the RSC and the RNT is good. The RNT, in particular, can go overboard in putting too many resources into unworthy material. What you will find, however, is an impeccable standard of acting, staging and production.

The National, which is really international, began 1992 in spectacular form. Declan Donnellan's direction of Tony Kushner's *Angels in America* on the small stage at the Cottesloe is an intense a production of a play about homosexuality and AIDS. Subtitled *A Gay Fantasia on National Themes/Part One: Millennium Approaches*, it is also political and witty. On the same small stage is *Uncle Vanya*, with Sir Ian McKellen in the title role. It was sold out before it started, but you can sometimes get tickets on the day of the performance.

On the bigger stage of the Lyttelton is a new production of *The Night of the Iguana*, Tennessee Williams's last good play and, on this evidence, one of his best. It is worth seeing for the staging alone – sub-tropical rain falling in the theatre – and again for the performance of Eileen Atkins as the east coast spinster.

The RSC's new season at the Barbican is just beginning with imports from its other home in Stratford-upon-Avon. The production to look out for is the the two parts of Shakespeare's *King Henry IV*. Without seeing Part Two, you will never appreciate why the play is called *Henry IV* and not *Prince Hal* or *Falstaff*. The dying of the king, the passing of an era, is magnificently performed by Julian Glover.

You could quite happily spend a week moving between the National Theatre and the Barbican: only purists would do that, however. The old West End is much maligned by some. A group of musicals like *The Phantom of the Opera* have become landmarks, though in longevity none of them are likely to match Agatha Christie's *The Mousetrap*, now in its 40th year.

Recently there has been a trend to smaller, cheaper musicals – derivatives rather than the real thing. Visitors from New York or Paris will scarcely recognise the London version of *Sophisticated Ladies* in celebration of Duke Ellington. The musical *Moby Dick* at the Piccadilly has been the talk of the town, but was almost universally panned. Based on Herman Melville's novel and performed by the equivalent of Ronald Searle's girls of St Trinian's, it has been hailed as the downfall of Cameron Mackintosh, the impresario. I recommend it as sheer fun. The music is not sensational, but the stage effects are multi-dimensional.

The West End still has its straight plays. A new production of George Bernard Shaw's *Heartbreak House* opened at the Haymarket last week with a cast of stars including Vanessa Redgrave and Paul Scofield, directed by Trevor Nunn. If you want the luxuriance of the old London theatre, this is it (though you may notice that the standard of dress in the audience has declined).

There is sterner, shorter stuff at the Duke of York's in Arnold Dorfman's *Death and the Maiden*, a play about the transition from dictatorship to democracy in Chile. That description should not deter; the underlying theme is about nuances, compromises and adjustments in personal and professional life.

Dorfman's play brings us towards the fringe. *Death and the Maiden's* first London performance was at the tiny Theatre Upstairs at the Royal Court, Sloane Square. It moved downstairs to the main theatre, then to the West End. It is part of the unpredictability of the London scene that it has been such a success. Juliet Stevenson, now of screen fame as well, is outstanding.

The fringe has its subdivisions. The Almeida in Islington is closer in style and spirit to to the Royal Court than to the pub theatres, where some of the most exciting productions now take place. Recent performances at the Almeida have been Diana Rigg as Cleopatra in Dryden's *All for Love* and revivals of, and even a new play, by Harold Pinter. At its best, it is superb.

The most prominent of the pub theatres are The Gate at Notting Hill, the King's Head, Islington and The Bush at Shepherd's Bush, the latter with an excellent record of bringing new Irish plays to London. Others keep springing up. I like especially the Duke's Head in Richmond, a place which like Hampstead and Greenwich has several theatres. Pick up a copy of a magazine like *Time Out* for the details.

Lydia van der Meer

WE ARE really quite well off for sculpture on the streets of London although too often we go past without looking.

Consider Lutyens' Cenotaph in Whitehall, discreet enough to nag away at the collective subconscious but wonderfully elegant and dignified the moment it comes into focus; and Landseer's Lions at the foot of Nelson's Column are still seen more as national pets than anything. Jagger's magnificent Artillery Memorial, marooned at Hyde Park Corner may be seen only from the bus. Best of all is Le Sueur's small equestrian monument to Charles I that has looked down Whitehall to the fateful Banqueting Hall ever since 1675.

With Modern Art we have done less well, though things improve when developers commission works of art directly from the artist. "Chalice" (pictured above) William Pye's huge fountain sculpture for Greycoat London Estates at 123 Buckingham Palace Road, is the spectacular fruit of just such a collaboration. W.P.

User friendly galleries

*Open the door and find yourself welcome, says **William Packer***

THE world of the London art dealer – more village than world – may seem to the outsider closed and private, the preserve of the initiate, forbidden ground. Trespassers will be humiliated, says the unwritten notice on the door. Well, only up to a point.

Art in galleries is there to be sold, and therefore there to be seen. Every dealer in the world knows that appearances can be horribly deceptive. That man in the shabby mac, *admiring the Boucher*, may well be the Duke up from the country, a property millionaire, or a pop star, for all he knows. The serious point is that the individual with a genuine interest in the work, of whatever kind, is welcome. To change the image for a moment, the London art world is a sort of club, unusual only in being one you join by joining, by turning up, by electing yourself. Push through the door and the invitation follows.

But back to the village. There are several wards within the parish that overlap somewhat: St James's and Old Bond Street for the old master trade; Cork Street and Mayfair for the established contemporary and international; and the modern British and smaller contemporary galleries scattered at large where space and rent allow. These are notional territories, with the Lisson Gallery, for example, the perfect stereotype of the high-flying Mayfair Modern, tucked away in a back street between Marylebone Station and the Edgware Road.

Whereas plush and pile characterise the conventional old master gallery, clear white walls and bright lights are the rule for the contemporary – and it is a personal bone I would pick with most, that they are grossly over-lit. Even so, they include many of the most handsome showing-spaces in London, custom-built and perfectly adapted to the business, neither to large nor, as is the commonplace of *Rome or Paris*, cramped and small. These are public spaces and ample enough for the largest works, yet intimate enough to preserve the personal scale.

The best of this type was the sadly-missed Rowan Gallery in Bruton Place, but the Lisson Gallery at 67 Lisson Street NW1, the Grob Gallery, *Annely Juda and Anthony d'Offay*, all cheek by jowl high above Dering Street W1, and the several Waddington spaces in Cork Street, are all remarkable.

But even better are the galleries that positively retain their domestic scale and feeling. They embrace the entire range of work, from the oldest to the newest, with most of them comfortably in between. Gillian Jason, at 42 Inverness Street in Camden Town, NW1, is the perfect example, still quite literally the private Georgian terrace house, where a knock at the front door is still necessary to gain admission to a choice range of Modern British and occasional contemporary shows.

In the West End, The Fine Art Society, at 148 New Bond Street (Victorian to contemporary) and Agnew's, at 43 Old Bond Street (*old masters to contemporary*) preserve something more of the preoccupied bustle of the country-house than the quieter town. Around the corner in Clifford Street, Jeremy Maas has the tiniest gallery stuffed full of Victorian, occasionally contemporary, art. In Cork Street, the Mercury, Stoppenbach & Delestre and Piccadilly Galleries all cover the same ground, from early modern to contemporary, are all domestic spaces still, despite the public front.

The same is true of JPL Fine Art, in Davies Street W1, (impressionism and the School of Paris), of Michael Parkin (modern British), Christopher Wood (Victorian) and Christopher Hull (contemporary) virtually side by side in Motcomb Street SW1, and of the Fine Art Centre in Sloane Street (modern British and St Ives), and Crane Kalman in the Brompton Road (modern British) – the list is endless.

In Westbourne Grove, at 255 Portobello Road W11, there is Anderson O'Day, and Sue Williams at 320. There is Vanessa Devereux round the corner at 11 Blenheim Crescent, the Todd Gallery in Needham Road and Sue Rankin at 40 Ledbury Road (all of them contemporary British). In Lexington Street in Soho there is Jill George, and in Windmill Street, off Charlotte Street, *Rebecca Hossack*, the New Academy and the Curwen Galleries (all modern British) and in Charlotte Street itself, Karsten Schubert (contemporary international). Austin/Desmond is in Pied Bull Yard off Great Russell Street (modern British), Francis Graham-Dixon in Great Sutton Street in Clerkenwell, Pomeroy Purdy at Jacob Studios, Mill Street SE1, Flowers East in Richmond Road in Hackney, the Eagle gallery at 159 Farringdon Road EC1, The Pike Gallery, *St John's Hill at Clapham Junction*, Cadogan Contemporary in Draycott Avenue (all contemporary British).

This list must stop. There must be many I have forgotten, more I should mention. The range of work is enormous, the quality inevitably variable. But in none of these galleries would the visitor find himself unwelcome or abashed, or in any sense under any pressure to buy.

Jazzing it up in pub and club

***Garry Booth** investigates steamy basements and top-shelf pizza joints*

RONNIE Scott taps the end of his microphone and, feigning astonishment at the sobriety of his audience, squints through the cigarette fug in the direction of the sound desk: "Is this f****** thing on?" Turning to the hapless couple at the front table, he says, "You should have been here last night. A fellow rang to ask what time the first set started. I said, what time can you get here?

"Somebody asked a waitress if she could change a £20 note the other night. We made him a partner..." The spiel, little changed in his 32 years of running London's premier jazz club, still raises a laugh and belies the fact that the tenor-playing Ronnie packs them in six nights a week (he stays closed on Sundays).

The Soho club stands at the centre of a colourful and varied jazz scene, which extends from the West End into the nicotine-stained fabric of the city's pubs via fringe clubs which scratch a precarious but exciting living in the less-wealthy boroughs. Recession has bitten, but attendance at live jazz has increased more significantly (by 17.8 per cent) than for any other performing art form over the past four years in the UK, according to the Arts Council.

It is a more or less useless fact, although borne out by the abundance of hot and cool jazz which can be heard on any night of the week in surroundings that vary from subterranean to post-modern. This month you could have tracked the extraordinary harmonics of Tal Farlow, the usually-reclusive American guitar legend, as he moved residencies from the East End's Tenor Clef, to the beery back room of the Bull's Head in leafy Barnes, south-west London, via Soho's low-key Pizza Express.

Bass man Peter Ind's Tenor Clef is the sedate room above his steamy basement Bass Clef club and restaurant. Jammed between bombsites and grimy, Dickensian warehouses, the East End location gives a speakeasy atmosphere to a main room where the walls run wet with condensation on steamy salsa nights.

Peter Boizot's pizza joints – the Express, down the stairs in Dean Street, and the more top-shelf Pizza on the Park in Knightsbridge, near Harrods – are strictly for the supper-club set and a knife and fork accompaniment prevails. The Bull's Head, a regulars' pub, mixes Young's ale with modern, mainstream sounds every night in its back room. It is worth the long journey west to watch elderly, middle-class beatniks hunched and shaking over their pints.

To the north in NW1, stranded amid the heaps of down-and-outs from Europe's biggest doss house, is the financially-beleaguered Camden Jazz Café. As Farlow was making his way across town, the Café was playing post-modernist host to the abstract tenor of Pharoah Sanders. By the river, on the bunker walls of the South Bank complex, posters for the shiny techno-fusion of Chick Corea, the most famous acolyte of Scientology founder L. Ron Hubbard, vied for attention with the Nordic blandishments of Jan Garbarek's soprano.

But if London is on the circuit for the big names of jazz, it also home to inter-connected local scenes fed by home-grown talent and fuelled with beer. EMI's famous Blue Note label has recognised the London effect and tomorrow night showcases six of the country's most promising young musicians at the Camden Jazz Festival. The original compositions, which be premiered in the Technics-sponsored event at the Bloomsbury Theatre, will be recorded.

Featured Londoners Tony Remy (guitar), Michael and Mark Mondesir (bass and drums) and Orphy Robinson (vibes) are easy to catch on the club and pub scene – and that scene is not hard to find. Take Stoke Newington, a superficially unremarkable part of north-east London inhabited by Turks, West Indians, Orthodox Jews, "meeja" bohemians and jazz musicians.

A walk from our house to the High Street will take you past one, then another, saxophone running through scales in competition with the rolling thunder of reggae bass lines. Across the main road, by the mosque, is a Victorian pub called Rumours where the upstairs sash windows rattle to the avant-garde sound of Howard Riley's piano and Elton Dean's squealing sax.

Beyond, in Church Street, is the Vortex Jazz Bar, an artists' supply shop with an airy, whitewashed loft open five nights a week to all schools of jazz, from a John Etheridge duo to the Stan Tracey octet. Take a left to Newington Green and, by the China Inland Mission, is the Latin Jazz Café, forerunner to the Camden club. A little further along is the Weaver's Arms, a friendly pub which resonates to the accordion-led strains of zydeco – swamp music – which has become an incongruous but important part of the London blues scene.

A similar trail of pub and club can be followed into Islington, and on to neighbouring Camden and Kentish Town. Across the river, too. All are safe and none has complex rules over cover charges: you pay to get in and then buy as few drinks as you like (unlike New York, where the Blue Note club often kicks out the punters between sets; or Paris, where only an actuary could fathom the relation between cover charges and drink prices).

The London scene does not, of course, stand up to close comparison with New York; it does not have the history. But only in London could you find such a great US brass man as Art Farmer in a school hall (at University College School in Hampstead) where tea and sandwiches were served by the boys at half-time.

Live music in London is not as exotic as Paris where different musical cultures have happily collided since the war. But only in London will you find Ronnie Scott telling pre-war jokes in a cod-Japanese accent, or assuring diners that the chef's rash has cleared up.

■ *Bass Clef, 35 Coronet St, London N1; The Bull's Head, Lonsdale Rd, Barnes, SW13; Jazz Cafe, 5 Parkway, NW1; Pizza Express, 10 Dean Street, W1; Pizza on the Park, 11 Knightsbridge, SW1; Ronnie Scott's, 47 Frith St, W1; Vortex Jazz Bar, 139 Stoke Newington Church St, N16; The Weaver's Arms, 98 Newington Green Rd, N1.*

Chess No 916: 1 Rae1! Bxc3 2 bxc3 Qxb5 3 Qh6! Qf5(if f5 4 Bf6 Rxf8 5 Re8+) 4 Qxf8+! Kxf8 5 Bh6+ Kg8 6 Re8 mate.

Hopkins' lonely road to classic status

"WHAT FUN if you were a classic," the undergraduate Gerard Hopkins once remarked. "What a waste," the painter, Jack Yeats said when he met him 20 years later, "that Gerard Hopkins, with all his gifts for art and literature, should have become a priest." Hopkins' retort – "you wouldn't give only the dull ones to Almighty God" – highlights his arrogance and his own sense of loss as well as his commitment.

Why did the most original poet of the 19th century choose a vocation which prevented him from publishing a single stanza, and was his art enhanced or diminished by the sacrifice?

The first triumph of Norman White's splendid biography is to show how deeply Hopkins' difficult, intense poetry comes out of his difficult, extreme life: the Jesuit priest at once despairing and devout; the Victorian prig who subsumed homosexual lust into holiness; the scholar who enjoyed blowing cayenne pepper through a keyhole to disrupt his colleagues' seminar.

The second is to set the poet-priest's maverick, conflicted temperament in the context of fevered, Victorian religiosity and idealism, and thus to broaden out a life story into an intellectual and social portrait of an age which should fascinate anyone interested in English history.

Hopkins was born in 1844, the eldest son of an upwardly mobile insurance broker whose sons' education reflected his rising status: Gerard attended local school in Hampstead, but three younger brothers went respectively to Lancing, Winchester and Charterhouse. For Gerard, life opened out at Oxford, which began in adolescent rapture ("Altogether Paradisaical. A canoe in the Cherwell must be the summit of human happiness") and ended in the queue of conversion-hungry undergraduates which, by the 1860s, lined the route from Balliol to Newman's door in Birmingham.

"I believe the Balliol set is truly wise," said the young poet Clough at this time. White is comically inspired on 1860s teenage posturing, which ranged from midnight tutorials with Jowett to secular pursuits like shooting water-rats from a bridge on the Cherwell.

Romance, mostly between men, was of course everywhere, and Hopkins fell for Digby Dolben, an aesthete expelled from Eton for Papist inclinations (he wore a monk's habit and dated his letters by Roman feast days). He flirted with Hopkins and, says White, his "flamboyant leanings incarnated Hopkins' suppressed spiritual inclinations".

Incipient homosexuality is as obvious in Hopkins' poetry – witness the boy in *The Bugler's First Communion* "breathing bloom of a chastity in mansex fire", or the hedonists plunging around naked in the pools in *Epithalamion* – as it is in Kipling's; both poets are famously popular with adolescent boys.

White links the homo-erotic impulses, which Hopkins experienced as an overwhelming sense of sin – he records admiring the bare arms of working navvies and looking up "dreadful words" in the dictionary – and youthful rebellion against his family as factors which drove him to Rome. He was, W.B.Yeats later observed, the typical "sensitive querulous scholar" of 19th century "English Aesthetic Catholicism".

When Hopkins converted, mid-Victorian England was rife with Papist-phobia; on a train journey once, Pugin "crossed himself while engaged in private prayers... to the horror of a lady, alone with him in the compartment, who cried out: 'You are a Catholic, sir – Guard, Guard, let me out'".

But Hopkins got only enlightened tolerance from Balliol and his parents, and so his masochism pushed him further into the strict arms of the Jesuits. He used to meditate on being shut-up in a cloister and on pain's "great and real sense of freedom".

"I did say yes/O at lightning and lashed rod," he records on joining the Jesuits. He made a

HOPKINS: A LITERARY BIOGRAPHY
by Norman White
Oxford £35, 531 pages

bonfire of all his poems but first sent corrected copies to his friend, Robert Bridges.

Before he became a priest, Hopkins used to compile lists of similar sounds, of "consonant-chiming" words, of words to which he was specially attached, and try them out in prose; a long wrestling which lay behind the muscled strength of celebratory poems like *The Windhover*. As a Jesuit, this was put aside and not until the shipwreck of some nuns was he pushed to break a lengthy silence. *The Wreck of the Deutschland* is in part a classic Victorian sea-disaster poem; it is also the first Victorian work to break away from poetic convention into a dramatically truthful art.

It was frighteningly original for the Jesuits, who refused to publish it in their magazine. Since publication elsewhere was forbidden, there followed a lifetime of artistic isolation.

"I should do you no kindness in sending you a man so eccentric", wrote one priest to another about Father Gerard. As a Jesuit, Hopkins fitted in nowhere, and was moved year after year – "to seem the stranger lies my lot" – from London to Wales to Glasgow to Dublin, as a worker in slum-dwellings and as a teacher.

Too aloof to get on with his working-class parishioners, he was also too naive to teach – he was once mocked for weeks after solemnly telling his class that "he regretted that he had never seen a naked woman". Meanwhile, his own artistic instincts and his interest in music and sounds – in Wales he learnt Welsh, in Dublin he collected Irish accents – were discouraged.

The result was acute, piercing loneliness, an absolute lack of understanding which made him ill and exhausted and inspired the sequence of despairing sonnets – *Carrion Comfort; No worst there is none* – which are among the most passionate and intimate in all English poetry.

His last poems were scribbled on the back of exam books while he was invigilating at University College, Dublin. Then, worn out, he died aged 44 from typhoid fever, possibly carried by two rats discovered in the Jesuits' stewpot.

The unsung hero of this story is Robert Bridges, who collected the poems as Hopkins sent him them, corresponded with and encouraged him, and finally, in 1918, judged the time right to publish them. Regarded as odd and cold and impossibly obscure by most who had seen them in Hopkins' lifetime, they suddenly found their place: an early wave in the great tide of modernism. Leavis' approval in the 1930s sealed Hopkins' longed-for status as a classic.

Norman White's scholarly, humane and witty account will surely send many readers back to the poems and enhance that reputation still further.

Jackie Wullschlager

FT Children's Book of the Month

Schoolgirl in a timewarp

THE SCHOOL story is a mould into which many writers for children have poured their unequal talents – Talbot Baines Reed, whose *Fifth Form at St Dominic's* established many of the most familiar features of the genre in the late 19th century, to the noisy, up-to-the-minute battlefields of Grange Hill. This month the Bodley Head has re-published what can fairly be described as a contemporary classic of the genre, *Charlotte Sometimes* by Penelope Farmer, a writer whose first book, *The Summer Birds*, was short-listed for the Carnegie Medal.

Charlotte Sometimes was first published in 1969, but the feel of the story and its narrative density suggest an even earlier epoch. It is Charlotte Mary Makepeace's first day at her new boarding school, a day full of loneliness and misgivings. First into the dormitory, she is given the pick of the beds and chooses an old-fashioned and yet oddly appealing thing with cast-iron wagon-wheels.

When she wakes up the following morning, the view from Charlotte's window is shockingly different from what she remembered. The school's new brick extension has been replaced by the spreading arms of a dark and ancient cedar tree and the hump in the bed beside hers (which proves to be a funny, abrupt creature by the name of Emily) insists on calling Charlotte by a different name, while all the time emphasising that Charlotte, is in fact Emily's sister, Clare.

The shocking truth is that Charlotte has travelled back in time to a school which is now caught up in the dreary regimen of the Great War. Instead of neatly-mown lawns, there are market gardens teeming with cabbages, and, flying from the school gates, a pair of faded Union Jacks. Everything about the place is strict, drab, austere, scarce and nasty – from the ferocious, starch-aproned Nurse Gregory to the meagre, disgusting rations.

The next morning, however, Charlotte wakes to discover that she has been catapulted back into the late 1960s again, and for that dispensation she feels mightily relieved – both for her own sake and that of her younger sister, Emma. Unfortunately, the next day she finds herself again in that same world of cold-tar soap, fizzing gas burner and photographs of dead young men. And so it goes on, day after troubling day, this shuttling back and forth in time, with the one girl taking the place of the other.

Then a terrible thing happens. Clare's status is changed to that of a day-girl. She and Emily will be moved out of the school – and the magical bed left behind. Unfortunately, the move takes place on the wrong day and Charlotte finds herself stuck in the past, boarding with a family that has lost its son to the battlefields of France.

Her loneliness and desperation increase when, some days after her arrival, the family call upon a medium in an attempt to get in touch with their dead soldier-son – but it is the voice of Clare, Emily's sister, that escapes from the

CHARLOTTE SOMETIMES
by Penelope Farmer
The Bodley Head £8.99, 200 pages

medium's mouth, screaming out to her. Clare – like Charlotte herself – is locked, sorrowing, into an alien age, desperate to claw her way back to her sister in the past.

Some of the details of the novel bring to mind *Tom's Midnight Garden*, that children's classic of the late 1950s, in which time-travel plays a crucial part. But Penelope Farmer's ability to write as if from deep within the mind of an 11-year-old girl, to delve into her emotional anxieties, to capture with such sureness the emotional vicissitudes of the relationship between a real girl and her ghostly counterpart in the past, and even to give great symbolic importance to small, individual details – the glass of water that Emily fills with marbles, the huge handbell, rung on Armistice Day, that proves so disappointingly to have a "dull, small, thudding sound" – set this profound, disturbing and intellectually-challenging novel in a category of its own.

It is a piece of taut narrative writing that moves and troubles in almost exactly equal proportions.

Michael Glover

Turbulent master of the macabre

"E.A. POE – Ho! Ho! Ho!.." chanted Noel Coward to roars of laughter from his Las Vegas audience. Poe was teased about his name in his lifetime too. This is one of the few glimmerings of humour in Kenneth Silverman's new biography. It clears up many misconceptions about, and is the fruit of years of research into, Poe's sad strange life. Name apart, there can never have been less cause for mirth in the life of a writer.

Tragedy struck in Poe's infancy and rarely let him be till he died at the age of 40 in 1849. His mother Eliza Poe was a leading lady in a provincial touring company. She had great success playing Shakespearean heroines in places as far apart as Boston, Mass. and Richmond, Virginia. Poe was her darling. His father, David Poe, as poor an actor as his wife was starry, absconded one day never to be heard of again. In 1811 Eliza contracted a fever and by the end of the year she was dead. Poe was only three.

John Allan was a dour Scottish immigrant to America, a partner in a then flourishing tobacco-exporting business. He and his wife were keen theatregoers. They had admired Mrs Poe and they took responsibility for her boy – hence his middle name – without formally adopting him. Like that other successful story-teller, Somerset Maugham, the young Poe was an orphan transplanted to an environment from which he soon felt alienated and which he was determined on becoming adult to put permanently behind him.

Precociously clever and brilliantly imaginative, he began at an early age to compensate by concocting poetic fantasies. By the age of 20 he had published a slim volume of dreamy romantic poetry; like his later, more celebrated, verse this early stuff contains an intense longing for an earthly paradise, a preoccupation with death and the return to life of the dead.

Poe's turbulent youth, and ever-worsening relations with Allan, particularly when trying to sponge off him, are well described by Silverman. They follow a pattern of Poe's failure to sustain any form of work or training outside his writing. His career at the University of Virginia came to an abrupt end in a pile of unpaid gambling debts. Concerned to prove his manliness, Poe gained one of the coveted cadetships to West Point, only to chuck it half-way through. Here the analogy with Maugham – whose West Point was St Thomas's Hospital – ends. Maugham accepted the world on its own terms; something, as this book makes painfully clear, Poe could never bring himself to do.

Poe married his cousin Virginia Clemm when she was 14. To this often sick, ethereally lovely girl, Poe seems to have been more of an admired big brother than a husband. He called her Sissy and her mother, Marie, who always lived with them, was Mabby.

EDGAR A. POE: MOURNFUL AND NEVER-ENDING REMEMBRANCE
by Kenneth Silverman
Weidenfeld & Nicolson £25, 564 pages

Ten years later Virginia was dead. By one of those numerical ironies with which the work and life of Poe is riddled, 24 was the age at which his own mother had died. He made one or two determined attempts to re-marry among female poets and bluestockings but, still a widower, he was dead himself a few years later – a classic example of a literary genius ending his life as a burnt-out case.

Until the end his output was prodigious. Poems, stories, essays, a novel – *The Narrative of Arthur Gordon Pym* – together with endless streams of ephemeral journalistic items, poured out of him and into the various magazines for which he wrote. The only interruptions to his flow of work were those extended periods when he took to drink. They became quite frequent in his latter years.

In spite of his immense industry, his many successes and his eventual world-wide fame, there was no breakthrough into affluence. Poe was often his own worst enemy; even so one cannot but feel he was cruelly done by. He reaped little benefit from having pioneered many of those genres of literature that have flourished commercially as popular entertainment since his death. Historians of the detective story like Julian Symons agree that Poe first gave it a definitive form in tales such as *The Murders in the Rue Morgue*, *The Mystery of Marie Rogêt*, *The Purloined Letter*. His investigator C. Auguste Dupin anticipated the methods of Sherlock Holmes. In another famous tale, *The Gold-Bug*, with a detective element and concerning buried treasure, he gave a lead to R.L.Stevenson. But the bulk of Poe's tales were gothic horrors or spine-chillers. As a master of the macabre Poe is without a peer.

Less well-known to the general public is his work as a literary theorist. His essays on poetic composition were influential, particularly in France where Baudelaire became a disciple. Poe was an early and vicious exponent of the hatchet-job in criticism and reviewing. He laid into Longfellow and the other New England writers whose hegemony he resented with savage ferocity. The "Frogpondium" was his contemptuous collective name for them.

Had he lived 50 or so years later when the laws of copyright became subject to international agreement and authors began to receive royalty payments instead of surrendering their work for outright fees, Poe would certainly have become a rich man. Merely the royalties from his poem "The Raven" – its reception "might be compared to that of some uproariously successful hit-song today", Silverman says – would have kept him and his wife in luxury for years. As it was it earned him only a few dollars initially with further paltry fees for public readings of it.

His limitation – and this ultimately debars him from being classed with the truly great – is also his strength: his obsession with literary mechanism, his love of the ornately calculated effect, of what he called in his "tales of ratiocination" (the word detective was not then in use) the operation of *acumen* in solving the mystery. As Alfred Kazin has written in *A Writer's America*, "Poe is the only American classic of whom it can be said that his landscapes issued from his mind alone... He never quite overcame thinking of landscape as a problem or situation."

Even so, Poe's influence was lasting and it remains, whether in the fiction of novelist-cryptographers like Nabokov and Umberto Eco, or in serious horror-film directors like Roeg and Cronenberg. Silverman has performed a valuable task. He presents all the ascertainable facts about Poe's life and art as a coherent narrative.

Anthony Curtis

Come back Indiana Jones!

MANKIND'S weaknesses are easily turned into money. Among the most convertible is credulity, a close third to the human relish for sex and violence. Credulity explains the success of books about religion, particularly the sort alleging discoveries about the Turin Shroud, the Holy Grail or the Dead Sea Scrolls. Take the barrels of salt required when reading any such book and multiply them tenfold: you will need no less for Graham Hancock's account of the present whereabouts of the Ark of the Covenant.

Neither Hancock nor his publisher mind admitting that the film *Raiders of the Lost Ark* influenced the genesis of this book. Hancock duly attempts to inject a little excitement into his account; but he is no Indiana Jones, and not even meeting a Harrison Ford look-alike helps to make the book remotely rousing.

The Ark of the Covenant is the gold-covered box in which the Israelites kept Moses's stone tablets, brought down from Sinai with the Ten Commandments upon them. Until Solomon's time it stood in the Holy of Holies in Jerusalem's temple. It then disappeared. Hancock's claim is that it was taken via Egypt to Ethiopia, where it has remained ever since, now lying in a chapel in a little town called Axum.

But this is the least of it. Hancock further claims that The Ark and the Holy Grail are the same thing. Indeed, the Grail is a cypher for the Ark, whose whereabouts was discovered by the medieval Knights Templar, who wished to keep the secret from their contemporaries while passing it to posterity. They therefore hired the poet Wolfram von Eschenbach to write *Parzival* to encode the secret of the Ark as a story about a Grail quest.

The Knights Templar, in the meantime, excavated the mount in Jerusalem where Solomon's temple had stood, and discovered blueprints containing the basic principles of Gothic architecture.Tipped off by the carvings in the porch of Chartres cathedral, Hancock spotted the ruse and unravelled the secret of Chartres, of the Templars, of Parzival, and therefore of the Ark itself.

There is much more in this vein, involving everyone from President Mengistu and the Queen of Sheba to the deity himself in an engulfing mire of improbabilities. The book is 600 pages long, but it would be a mere 60 if one removed all sentences containing the words "perhaps" and "possibly" and all such rhetorical phrases as "could it not be the case that". The logical structure of the book's argument has the classically tendentious form, "perhaps...perhaps...if so...therefore".

The book *is complete* rubbish. From beginning to end it is a cobbling-up of invention, speculation and guess-work,

THE SIGN AND THE SEAL: A QUEST FOR THE LOST ARK OF THE COVENANT
by Graham Hancock
Heinemann £16.99, 600 pages

draped like a tarpaulin over a rickety frame of second-hand erudition and third-rate sophistry. I suppose one should be indignant about this almost fraudulent attempt by author and publisher to part as many people as possible from their money, but in truth the book is so exceedingly awful that it is funny. It is a surreal parody of a book, a fictional work of non-fiction in the tradition of Jorge Luis Borges but without the quality. It rides the coat-tails of a film made for teenagers, but the film at least was honest: it did not claim to be other than fiction.

Clearly Heinemann scents lucre. Whether or not the result is commercially worthwhile, I think they would do better by coming clean and giving the book a decent burial in their Humour list.

A.C. Grayling

Fiction

Nasty secrets will out

COMPOST, nourisher and perhaps poisoner of us all, the past must always fascinate novelists. Two of the week's novels have narrators digging painfully into the younger days of someone close to them. John Mortimer's *Dunster* is masterly. No swanning around with the Brits in Chiantishire, as in recent novels – though the British in Tuscany are crucial to this one's past action. It goes much deeper, and more darkly, though the surface has a similar exactness and exuberance and a similar deadpan wit.

Destructive yet with an integrity of sorts, Dunster is the kind of barefaced busybody who churns up trouble wherever he goes, tangling fact and fiction inextricably together. All through their lives and into middle age he has pursued his schoolmate Progmire with a mixture of chumminess and guile, charm and cheating, undermining his confidence, luring away his wife and, in a roundabout way, his daughter, and in general stamping on his soul.

Every cause he backs he believes in with every fibre of his fairly, though not totally, awful being, and when he decides that Progmire's admirable, beloved boss, Sir Crispin, is a war criminal who in Italy in 1943 blew up a church containing the entire population of a village, the fight is on. Sir Crispin fights back, wins his libel action and, honourable to the last, refuses his half-million damages. So, who comes out of it how? Dunster is defeated, not just in law but in his soul and personality. Was he, ever righteous, possibly wrong? And does winning a libel action guarantee truth?

Part thriller, part observer of current mores, realistic yet full of ambiguities, *Dunster* raises every kind of question, moral and psychological, while spinning along at a cracking pace. The trial takes up a third of the book, involving us in courtroom doings as Mortimer so well knows them, not as outsiders imagine them: muddle, noise, confusion, personal enmities, liaisons, spites, cunning and the odd whiff of brilliance. At a more serious level

DUNSTER
by John Mortimer
Viking £14.99, 296 pages

JERICHO
by Dirk Bogarde
Viking £14.99, 278 pages

BAY OF ALL SAINTS AND EVERY CONCEIVABLE SIN
by Ana Miranda
Harvill £14.99, 305 pages

than recent Mortimer novels, it makes the best possible read.

Dirk Bogarde's *Jericho* also has a downbeat narrator and nasty secrets from the recent past to uncover in a Mediterranean country. With his marriage collapsing in Parsons Green, William is sent a key to the French home of his brother James, out of touch for years and jealously resented for being born a decade after him to steal the family's attention. Out he goes to Var to discover the vanished James, and finds a way of life to cherish, beauty, sunshine, a son he hardly knows and a surprising small nephew. Also a widow, of sorts. And, when he pokes deeper into the underside of James's life, some sordid truths.

What's to follow? The end is credible and, one is led to expect, happy. With Parsons Green shuffled off, and with it Helen, the wife William no longer even likes, a new landscape and its natural world appear. Son and nephew are beautifully realised, vivid and present; so are the artefacts and the social life of provincial France and, to a lesser degree, the widow-of-sorts and her formidable bourgeois mother. Only the detection, the lewd discoveries, the shock-horror aspects of bisexual, kinky James seem contrived and are, frankly, tedious.

As readers of his memoirs will know, Bogarde's writing is stylish, showing splendid descriptive power and judgments tender or waspish; as admirers of his acting will remember, he has an uncanny way of entering the personalities of others; and for good measure this Admirable Crichton has painted, pretty well, his own book's jacket.

Another enticing jacket gives *Bay of All Saints and Every Conceivable Sin* an initial advantage. What will Ana Miranda in her first novel make of the rich, lurid life of 17th century Bahia, then capital of Brazil? Well, we learn a good deal: about the country's history, its relations with Portugal, its oppressive hierarchy of law and government; about slavery and corruption, torture, violence, imprisonment, plantations, sugar, politics, church. But research, which has clearly been extensive, has overwhelmed the book: detail becomes oppressive, holding up the action. As a work of imagination, it is leaden. No one comes alive, or seems to matter. It lacks wit and pace, and so dully presented are the characters that it is sometimes hard to tell or remember who's who. The translation is by Giovanni Pontier.

Isabel Quigly

New life for Biography

CONCISE DICTIONARY OF NATIONAL BIOGRAPHY
Oxford £95 (£125 after June 1), three volumes boxed

OXFORD University Press recently announced that the *Dictionary of National Biography* is to be "revised" in what will apparently be a root-and-branch job; it will take ten years.

In the meantime, the Press has issued a rearranged three-volume summary of the much-loved *Dictionary*, covering the whole period up to 1985. The inevitable problem, as with the earlier *Concise* version, is that the need to reduce each entry very savagely – the average entry is one-fourteenth of the original – effectively deletes the elegance and charm which are among the delights of the 31-volume full edition, in addition to truncating the detail to a point where this *Concise DNB* becomes no more than a comprehensive reference book.

JDF Jones

TELEVISION

SATURDAY

BBC1

6.35 Open University. 7.25 News. 7.30 Crystal Tipps and Alistair. 7.35 Wiz Bang. 7.45 Bravestarr. 8.05 Eggs 'n' Baker. 8.35 Thundercats. 9.00 *Going Live!*

12.12 Weather.

12.15 Grandstand. Introduced by Steve Rider. 12.20 Figure Skating from San Francisco: The Men's Free Programme. 1.00 News. 1.05 Football: Reviewing the midweek internationals. 1.25 Racing from Ascot: 1.30 The Hen Harrier Novices' Hurdle. 1.40 Ice Hockey: League Cup Play-offs. 2.00 Racing: 2.05 The Golden Eagle Novices' Chase. 2.15 Ice Hockey. 2.35 Racing: 2.40 The Letherby and Christopher Long Distance Hurdle. 2.50 Rugby League from Bolton: Bradford Northern v Wigan in *the Second Challenge Cup* semi-final. 3.45 Football Half Time Scores. 3.55 Rugby League. 4.35 Final Score. Times may vary.

5.05 News.

5.15 Regional News and Sport.

5.20 Stay Tooned!

5.45 Big Break. Jim Davidson is joined by Terry Griffiths, *Ray Reardon* and Joe Johnson.

6.15 Noel's House Party. Last in series.

7.05 Film: Flight of the Navigator. A young boy tries to uncover his connection with a mysterious alien spacecraft. Dazzling children's adventure with Joey Cramer, *Veronica Cartwright* and Cliff De Young (1986).

8.35 On the Up. Re-run of the comedy, starring Dennis Waterman.

9.05 News, Sport and Campaign Report; Weather.

9.35 Moon and Son. A young English couple believe ghosts are haunting their newly-acquired farmhouse. Last in series, with Millicent Martin and John Michie.

10.50 That's Life!

11.10 Midnight Caller. In the last of the series, an embittered killer carries out his revenge on Killian for putting him behind bars. Gary Cole stars.

12.00 Film: The Uncanny. Anthology of horror tales. An author tells his publisher three eerie stories, all linked by cats. Starring Peter Cushing and Ray Milland (1977).

1.25 Weather.

1.30 Close.

BBC2

8.40 Open University.

3.00 Mahabharat. (English subtitles).

3.40 The Sky at Night. Patrick Moore talks to Professor Iwan Williams about the world of asteroids, the junior members of the sun's family. Previously shown on BBC1.

4.00 Animation Now.

4.10 Film: Sweet Charity. A good-natured prostitute falls in love with a young man, who is blissfully unaware of her profession. Sparkling drama based on Neil Simon's Broadway musical. *Shirley MacLaine stars* with Ricardo Montalban, Sammy Davis Jnr, Chita Rivera and Paula Kelly (1969).

6.35 Late Again.

7.25 News and Sport; Weather.

7.50 They Never Slept. A plucky female Army corporal is catapulted into the shady world of espionage and subterfuge in the French Resistance. World War Two drama, starring Emily Morgan and Edward Fox.

9.05 Fine Cut: Hobo. Unique look into the world of the fiercely independent men pursuing a vanishing way of life as America's railroad tramps.

10.40 Film: Salvador. Oliver Stone's gritty war drama based on the *experiences of journalist Richard* Boyle in strife-ridden El Salvador in the early Eighties. Starring James Woods and James Belushi with Michael Murphy, John Savage and Tony Plana (1986).

12.40 Guitar Legends. The final concert from Seville's Expo '92 features heavy metal guitar exponents including Brian May, Joe Walsh, Joe Satriani, Steve Vai, Nuno Bettencourt and Paul Rodgers.

3.15 (BST) Close.

LWT

6.00 TV-am. 9.25 Motormouth. 11.30 Zorro. 12.00 The ITV Chart Show.

1.00 ITN News; Weather.

1.05 LWT News; Weather.

1.10 Saint and Greavsie. Ian and Jimmy present the latest Football League action. Plus, a profile of the contenders for the Professional Footballers' Association Player of the Year award.

1.55 The Day.

2.00 Tournament of Champions. Former Olympic champions meet in a head-to-head skiing event.

2.55 Golf: Catalan Open. Jose Maria Olazabal defends his title at Mas Nou golf course in Spain.

3.35 Film: Double Exposure. A detective agency is assigned to investigate *the suicide of an* advertising executive's wife. Starring John Bentley (1954).

4.45 Results Service.

5.00 ITN News; Weather.

5.05 LWT News; Weather.

5.10 10 Sharp! In the last show of the series, Pat Sharp presents a round-up of highlights from the 10 Sharp! tunnel. Including Jason Donovan and Kylie Minogue.

5.25 Baywatch.

6.20 Family Fortunes.

6.50 Murder, She Wrote. Angela Lansbury as detective Jessica Fletcher investigates a possible link between the murder of a chauffeur and a society jewel thief.

7.45 Stars in Their Eyes. The Final.

8.30 The Brian Conley Show.

9.00 ITN News; Weather.

9.15 LWT Weather.

9.20 Guests of the Emperor. Concluding part. The women are cheered by the arrival of Christmas and a new baby boy. But they are forced on a gruelling trek through *the jungle. Wartime drama.*

10.20 Aspel and Company. Comic actors Harry Enfield and Miriam Margolyes are among Michael's guests, along with singer Josef Locke.

11.05 Metro. Ian Dury meets ballet dancer Mikhail Baryshnikov, who is giving his first performance in London for seven years.

11.40 Tour of Duty.

12.35 Get Stuffed.

12.40 WCW Pro Wrestling.

2.30 (BST) Get Stuffed.

2.35 New Music.

3.40 Get Stuffed; ITN News Headlines.

3.45 Bhangra Beat.

4.15 The Hit Man and Her.

CHANNEL4

6.00 Early Morning. 10.00 Sign On. 10.30 Film: Argentine Nights. 11.50 Pete Smith Specialties. *12.00 Get Smart. 12.30 pm The Beverly Hillbillies.*

1.00 Film: The Solid Gold Cadillac. Judy Holliday stars (1956).

2.50 Film: Full of Life. Judy Holliday and Richard Conte star in this comedy about a poor Italian couple in New York, and the *problems they face while expecting a* baby (1956).

4.30 Next Stop Hollywood: The Great O'Grady. Tom Hodges stars.

5.05 Brookside.

6.30 Right to Reply. Viewer Paul Robin reports on the coverage of the Cricket World Cup final and talks to former managing director of BBC Television Paul Fox, Conservative Party broadcasting spokesman Peter Lloyd and Labour broadcasting spokesman Robin Corbett. Plus, a studio debate on the use of opinion polls in news programmes.

7.00 A Week in Politics. Assessing the week's campaigning, featuring interviews with representatives *from the three main parties* including Home Office Minister Angela Rumbold. Plus, a report on Margaret Thatcher's visit to Hull.

8.00 TV Heaven: Introduction. Classic entertainment from 1960.

8.05 Police Surgeon. Medical detective drama, starring Ian Hendry as the detecting Dr Brent. Also starring *Michael* Crawford.

8.55 Living for Kicks. Dan Farson investigates the rise of youth power, by interviewing the young people of Brighton.

9.55 Armchair Theatre. A naive student falls in love with a beautiful young girl while taking a summer job in a warehouse. Starring Bil*lie Whitelaw and Peter McEnery.*

11.00 The Strange World of Gurney Slade. Anthony Newley starred in this innovative series which toyed with television conventions.

11.35 Court TV: America on Trial. Highlighting the growing anti-abortion protest movement in the USA, which is using tactics employed by the Civil Rights Movements in the Sixties.

12.35 Film: Marked Woman. Brisk gangster drama with District Attorney Humphrey Bogart trying to convince Bette Davis and her four friends to testify against their boss (1937).

2.20 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
11.30 The Munsters Today. 1.05 Anglia News. 1.55 The A-Team. 3.05 Carry On Up the Jungle. (1970) 5.05 Anglia News and Sport 5.15 Cartoon Time. 11.05 One to One.

BORDER:
1.05 Border News. 1.55 Hard Time on Planet Earth. 2.50 Pirates of Malaysia. (1964) 5.05 Border News. 5.15 Cartoon Time. 11.05 Men.

CENTRAL:
11.30 The Munsters Today. 1.05 Central News 1.55 Davy Crockett. 2.45 Cartoon Time. 3.00 Zorro the Gay Blade. (1981) 5.05 Central News 5.15 Central Sports Special - Goals Extra. 5.25 Family Fortunes. 5.55 Baywatch. 9.15 Regional Weather. 11.05 The Trap. (1966)

CHANNEL:
11.30 Superman. 1.05 Diary Dates. 1.55 The Ultra Sail Grand Prix. 2.25 All for Mary. (1955) 3.45 The A-Team. 4.40 Cartoon. 5.05 Channel News. 5.10 Puffin's Pla(i)ce. 5.15 Cartoon. 11.05 *Tonight in Comedy.*

GRAMPIAN:
11.30 Dinosaurs. 1.05 Grampian Headlines 1.55 Abairl 2.15 Crann Tara. 2.45 Superstars of Wrestling. 3.45 Champions of Grampian. 4.45 Scotsport Results. 5.05 Grampian Headlines 5.10 Criomagan. 5.15 Cuirm Cloinne. 9.15 Weather. 11.05 Matlock.

GRANADA:
11.30 Children's Island. 1.05 Granada News 1.55 The Life and Times of Grizzly Adams. 2.50 *Oliver Twist. (TVM 1983)* 5.05 Granada News 5.10 Granada Goals Extra. 11.05 Men.

HTV:
11.30 This is America, Charlie Brown. 1.05 HTV News. 1.55 Soccer in the Seventies. 2.25 The Pride of the Yankees. (1942) 5.05 HTV News and Sport 11.05 Joe Cool Live.

HTV Wales as HTV except:
5.20 Cartoon Time.

SCOTTISH:
11.30 Dinosaurs 1.05 Scotland Today. 1.55 The *Great Chase. (1963)* 3.25 The Silent Gun. (TVM 1969) 4.45 Scotsport Results. 5.05 Scotland Today 5.15 Cartoon Time. 9.10 Scottish Weather. 11.05 The Young Riders.

TSW:
11.30 The South West Week. 1.05 TSW News. 1.55 Peppino. 2.25 13 East Street. (1952) 3.45 Golf: Catalan Open. 5.05 TSW News. 5.15 Gus Honeybun's Cartoon Time. 11.05 Men.

TVS:
11.30 Superman. 1.05 TVS News. 1.55 The Ultra Sail Grand Prix. 2.25 All for Mary. 3.45 The A-Team. 4.40 Cartoon. 5.05 TVS News. 5.15 Cartoon. 11.05 Tonight in Comedy.

TYNE TEES:
11.30 My Secret Identity. 1.05 Regional News. 1.55 The Life and Times of Grizzly Adams. 2.50 Oliver Twist. (TVM 1983) 5.05 Northern Life Sport Special. 5.15 Cartoon Time. 11.05 Men.

ULSTER:
1.05 Ulster News 1.55 Saturday Sport. 2.00 Superstars of Wrestling. 2.55 The Vengeance of She. (1967) 5.10 Ulster News 5.15 Saturday Sport Results 5.20 Cartoon Time. 9.15 Ulster Newstime 11.05 Men.

YORKSHIRE:
11.30 My Secret Identity. 1.05 Calendar News. 1.55 The A-Team. 2.50 Cartoon Time. 3.10 Carry On Spying. 5.05 Calendar News. 11.05 Brotherhood of the Rose. 11.55 Night of the Big Heat.

SUNDAY

BBC1

6.45 Open University. 8.50 Playdays. 9.10 News. 9.15 Looking for God. 10.00 See Hear! 10.30 The Software Show.

12.00 Bazaar. DIY expert Doug Smillie recycles rubbish, Claire Rayner discusses difficult neighbours, and a group of Yorkshiremen prepare a banquet for their wives.

12.25 Experiment! Optical Illusions.

12.30 CountryFile. Latest rural and environmental issues.

12.55 Weather for the Week Ahead.

1.00 News; On the Record. Jonathan Dimbleby interviews Environment Secretary Michael Heseltine.

2.00 EastEnders.

3.00 Film: Grey Lady Down. Charlton Heston stars in this naval drama about the rescue of a crippled submarine. With David Carradine, *Stacy Keach and Christopher* Reeve (1978).

4.50 The World Figure Skating Championships. Barry Davies introduces the Free Dance routines, including the final competitive performance of Olympic champions Marina Klimova and Sergei Ponomarenko.

5.50 *The Clothes Show. The Brides of* the Year celebrate their marriages.

6.25 News.

6.40 Village Praise. In the Border country.

7.15 Lovejoy. A romantic Gothic temple in Scotland brings Lovejoy and Lady Jane closer together. *Feature-length episode, starring* Ian McShane and Phyllis Logan.

8.55 So Haunt Me.

9.25 Screaming.

9.55 News and Campaign Report.

10.20 Mastermind.

10.50 Heart of the Matter. Joan Bakewell reports from New York on the controversial decision by school authorities to distribute condoms to teenage pupils. New York's educationalists claim the policy will help to combat Aids, but some parents, angry at not being consulted, are threatening legal action.

11.25 The Vote Race. Former party image-makers Michael Dobbs, Barry Delaney and Tom McNally review the week's Election marketing campaign.

12.05 The Shadow. Two farmers discover a different lifestyle when they visit each other's countries.

12.35 Mahabharat. (English subtitles).

1.15 Weather.

1.20 Close.

BBC2

6.35 Open University. 12.00 Around Westminster.

12.30 Film: The Doll Maker. Jane Fonda plays a determined wife and mother who uproots her country-loving family to follow her husband to the city. With Levon Helm and Geraldine Page (TVM 1985).

2.50 Small Objects of Desire. The effect of the snapshot camera on people's lives.

3.10 *Opera Season: Elektra. Eva Mar*ton sings the title role in Strauss' opera, based on Sophocles' horrific story of murder and revenge.

5.00 Rugby Special. League leaders Orrell seek revenge against Gloucester for beating them in the Cup. Introduced by Chris Rea.

6.00 The Real McCoy.

6.35 The Money Programme. Examining the economic policies of the Liberal Democrats.

7.15 The Natural World. The latest techniques in macro-photography are used to chart the development of a colony of bees.

8.05 Rembrandt: The Private Gaze. *Second of two documentaries* examines the artist's alienation from society and the increasingly personal vision of his later work.

8.55 Trying Times. Starring Judge Reinhold, Linda Puri and Stockard Channing.

9.25 Did You See? Guest presenter Clive Anderson is joined by Peter Cook, Richard Francis the former director of Liverpool's Tate Gallery and Booker Prize winner Bernice Rubens. *They review* ITV's LA Law and BBC2's Talking Rembrandt and The Old Devils.

10.00 Screen Two: The Last Romantics. As a Cambridge University professor in the mid-Sixties prepares for the end of his turbulent career, a new student arrives, bringing with him secrets which change both their lives. Starring Ian Holm, Sara Kestelman and Leo McKern.

11.30 Film: The Killing. Acclaimed drama based on an elaborate racetrack robbery. Starring Sterling Hayden, Elisha Cook and Colleen Gray. Directed by Stanley Kubrick (1956).

12.50 Del Il: Rapido. Antoine de Caunes winds up the series with a big 'au revoir'.

1.25 Close.

LWT

6.00 TV-am. 9.25 Disney Goes to the Academy Awards. 10.20 The Littlest Hobo. 10.45 Link. 11.00 Meditations. 12.00 Visions. 12.30 pm LWT News Weekend. 12.55 LWT Weather.

1.00 ITN News; Weather.

1.10 Walden. Brian Walden interviews Labour leader Neil Kinnock; The Day.

2.00 Mother's Day. Drama, starring Kathy Staff.

2.30 Batman.

3.00 MacGyver. MacGyver vows to avenge the death of his friend by exposing a sophisticated thief's operation.

4.00 The London Match. Highlights of a top Football League First Division match, presented by Jim Rosenthal with commentary by Brian Moore.

5.00 The American Match. Nino Firetto *and Sheryl Simms bring the razz*matazz of American Football to the small screen.

6.00 Hannah Hauxwell – Innocent Abroad. Last in series. Hannah falls in love with Venice and then travels home aboard the Orient Express.

6.30 ITN News; Weather.

6.35 LWT News.

6.40 Highway. Sir Harry visits Drumlanrig Castle in Dumfriesshire and meets the Earl of Dalkeith.

7.15 The Piglet Files. New series. Reluctant spy Peter Chapman (Nicholas Lyndhurst), also known as Piglet, is left at the mercy of terrorists.

7.45 Forever Green. The Boult family find more than they expected in a local quarry.

8.45 Jeeves and Wooster with Hugh Laurie and Stephen Fry.

9.45 ITN News; Weather.

10.00 LWT Weather.

10.05 Old Boy Network. Comedy, with Tom Conti and John Standing.

10.35 The South Bank Show. Profile of Anthony Hopkins, whose starring role in Silence of the Lambs has won him an Oscar nomination and a BAFTA award for best actor. He reveals how his career has helped him to use the darker side of his personality more constructively; The Day.

11.35 Cue the Music. James Brown.

12.35 Extreme East.

1.05 Derrick.

2.15 The ITV Chart Show.

3.15 Film: Sherlock Holmes in New York. Starring Roger Moore, John Huston, Patrick Macnee and Gig Young (TVM 1976).

5.00 Soap.

CHANNEL4

6.00 Early Morning. 9.25 The Sword of Tipu Sultan. (English subtitles). 10.00 Dispatches. 11.00 D'Art. 11.30 Flipper. 12.00 Little House on the Prairie.

1.00 Voyage to the Bottom of the Sea.

2.00 Film: On the Fiddle. Sean Connery stars in this World War Two adventure about two friends who accidentally become heroes (1961).

3.50 Sunday, Bloody Sunday! The alternative election programme, including video diaries by Edwina Currie, Austin Mitchell, Matthew Taylor and Alex Salmond; an alternative opinion poll assessing the candidates' views on the voters; Carol Thatcher on life as a leader's daughter; a 'little bit of politics' from Ben Elton; and the Whammy award for the best party election broadcast.

5.30 Star Chamber. Tory politician John McGregor faces questions on capital punishment and sex symbols.

6.00 Press Gang.

6.30 The Wonder Years.

7.00 Channel 4 News.; Weather.

8.00 Disabling World: Out of Sight. Part two. Assessing the problems faced by disabled people during the first half of the century, including the barbaric treatment of physically handicapped children in institutions.

8.30 Childhood. The first day of school. Tracing the path of this special day for children in Russia, Japan and the USA, and seeing how it is recognised by these different cultures.

9.30 Burning Books. Reviewing the week's new books, including John Harvey's Cutting Edge and David Spanier's Inside Las Vegas.

10.00 Film: Heavens Above. Religious comedy, shown as part of the Best Sellers season. Peter Sellers stars as a vicar who is accidentally appointed to a snobbish community and causes uproar by taking the place of an astronaut (1963).

12.10 Film: Mignon has Left. Award-winning portrait of chaotic family life, charting the effects of a snooty young Parisian has on her Italian uncle and his family. Part of the World Cinema season (1989).(English subtitles).

1.55 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.25 Goals Galore. 12.55 Anglia News. 2.00 Highway to Heaven. 2.50 Superman III. (1983) 5.30 Mother's Day. 6.35 Anglia News. 10.00 Regional Weather.

BORDER:
12.30 Gardening Time. 12.55 Border News. 2.00 Story of Steam. 2.50 Mother's Day. 3.30 Bullseye. 3.50 Penny Princess. (1952) 5.30 Scotsport. 6.35 Border News. 11.35 Prisoner: Cell Block H.

CENTRAL:
9.25 Sky High. 12.30 Gardening Time. 12.55 Central News 2.00 The Big Fish. 2.50 Superman III. (1983) 5.30 Dinosaurs. 6.35 Central News 11.35 Hollywood's Golden Night

GRAMPIAN:
9.25 Sky High. 10.45 Pick a Number. 11.15 Sunday Service. 11.45 Link. 12.30 My Secret Identity. 12.55 Grampian Headlines. 2.00 Triumph of the Nomads. 3.00 Hard Time on Planet Earth. 4.00 Country Matters. 4.30 The American Match Preview. *5.00 Scotsport. 6.35 Grampian* Headlines. 10.00 Grampian Weather. 11.35 Prisoner: Cell Block H.

GRANADA:
12.25 Granada This Week. 12.55 Granada News 2.00 Hannah Hauxwell – Innocent Abroad. 2.30 Cartoon Time. 2.50 Bullseye. 3.25 Hans Christian Andersen. 5.30 Coronation Street. 6.35 Granada News 11.35 Prisoner: Cell Block H.

HTV:
9.25 Sky High. 12.30 Farming Wales. 12.55 HTV News. 2.00 HTV Newsweek. 2.30 Dinosaurs. 3.00 Mother's Day. 4.00 Boy on a Dolphin. (1957) 6.35 HTV News.

SCOTTISH:
10.45 Glen Michael's Cartoon Cavalcade. 11.15 Link. 11.30 Sunday Service 12.30 Talking Pictures. 12.55 Scotland Today 2.40 My Foolish Heart. (1950) 4.30 Bullseye. 5.00 Scotsport. 6.35 Scotland Today. 11.35 Taxi.

TSW:
12.30 TSW Farming Week. 12.55 TSW News. 2.30 Fisheries News. 2.45 Gus Honeybun's Magic Birthdays. 2.50 Superman III. 5.30 Village Green. 6.35 TSW News. 11.35 The Silk Road.

TVS:
12.30 TVS News. 12.33 Agenda. 12.58 Weather. 2.00 My Secret Identity. 2.30 The Spectacular World of Guinness Records. 2.55 Dinosaurs. 3.25 Yanks. (1979) 6.35 TVS News.

TYNE TEES:
9.25 Sky High. 12.25 Northern Life Review. 12.55 Regional News. 2.30 Earthmovers. 3.00 The Back Page. 3.30 Highway To Heaven. 4.30 Bullseye. 5.00 Two Autumns. 6.35 Regional News. 11.35 Prisoner: Cell Block H.

ULSTER:
10.15 Disney Cartoon. 12.30 Gardening Time. 12.55 Ulster News 2.00 Hannah Hauxwell – Innocent Abroad. 2.30 Farming Ulster. 3.00 Bullseye. 3.30 Ngaio Marsh Mystery: Colour Scheme. (1978) 5.00 Mother's Day. 5.30 Coronation Street. 6.35 Ulster Newstime 10.00 Ulster Newstime 11.35 The Law and Harry McGraw.

YORKSHIRE:
9.25 Sky High. 12.25 Goals on Sunday. 12.60 Calendar News. 2.00 Disney Goes to the Academy Awards. 3.00 Superman III. 5.30 Hannah Hauxwell – Innocent Abroad. 6.00 Mother's Day. 6.35 Calendar News. 11.35 Scrumdown.

RADIO

SATURDAY

BBC RADIO 2
6.00 Barbara Sturgeon. 8.05 Brian Matthew. 10.00 Anne Robinson. 12.00 Mark Wynter. 1.00 The Comedy Hour: The Clitheroe Kid. 1.30 The News Huddlines. 2.00 Ronnie Hilton. 3.00 Steve Race. 4.00 Sounds of Sinatra. 5.00 Cinema 2.
5.30 Singers at the Movies. 6.00 Beverly Craven In Concert. 7.00 Funny That Way. 7.30 Gilbert and Sullivan. 10.00 Easy Does It. 10.30 The Arts Programme. 12.30 Tony Bennett. 1.00 Andrew Lane. 4.00 Barbara Sturgeon. 4.00 Barbara Sturgeon.

BBC RADIO 3
6.55 Weather and News Headlines.
7.00 Morning Concert.
8.30 News.
8.35 Tatiana Nikolaeva.
9.30 Saturday Review.
12.55 Words.
1.00 News.
1.05 London Winds.
2.10 Rafael Kubelik.
4.15 Tuning Up.
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 Intermezzo.
9.00 The Courtier, the Prince and the Lady.
9.40 Haydn and Schumann.
10.35 BBC Scottish Symphony Orchestra.
11.25 Poul Ruders.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
6.55 Weather.
7.00 Today.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 News; Loose Ends.
11.00 The Politics of Choice. The politics of education are examined through the eyes of the electorate.
11.30 Europhile.
12.00 Money Box.
12.25 The News Quiz.
1.00 News.
2.00 *Costing the Earth.*
2.30 Saturday Playhouse.
3.45 Just Do your Best.
4.00 Age to Age.
4.30 Science Now.
5.00 PM.
6.00 News; Sports Round-Up.
6.25 Week Ending.
6.50 Stop the Week.
7.20 Kaleidoscope.
7.50 Classic Serial.
8.50 Conversation Piece.
9.20 Music in Mind.
9.50 Ten to Ten.
10.45 *The World Tonight.*
11.00 Richard Baker Compares Notes.
11.30 Lip Service.
12.00 News.

BBC RADIO 5
6.00 Newsdesk.
6.30 Saturday Edition.
9.00 On Your Marks.
12.00 Sport on 4 Plus 1.
12.30 Sportscall.
1.30 Sport On 5.
6.00 Sports Report.
6.05 Danny Baker at Six-O-Six.
7.30 Le Top.
9.00 Afropop Worldwide.
10.00 Sports Bulletin.
10.15 On the Level.
12.00 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times GMT:
6.00 News; News About *Britain. 6.15 The World* Today. 6.30 Londres Matin. 7.00 Newsdesk. 7.30 People and Politics. 8.00 News; Words of Faith.
8.15 A Jolly Good Show. 9.00 News; Business Report; Worldbrief. 9.30 Personal View. 9.45 Sports Roundup. 10.00 News Summary; Jazz *Now And Then.*
10.15 Letter From America. 10.30 Waveguide. 10.40 Book Choice. 10.45 From The Weeklies. 11.00 Newsdesk. 11.30 Londres Midi. 11.45 Mittagsmagazin. 12.00 News; News About Britain.
12.15 Multitrack 3. 12.45 Sports Roundup. 1.00 Newshour. 2.00 Club 648. 2.15 Personal View. 2.30 Sportsworld. 3.00 News; Sportsworld continued. 4.00 News; News about Britain. 4.15 BBC English. 4.30 News in German.
4.40 German Features. 5.00 News Summary: Sportsworld: Final results. 5.30 Londres Soir. 6.14 BBC English. 6.29 News Summary.
6.30 Heute Aktuell. 7.00 German Features. 7.54 News in German. 8.00 News; Book Choice. 8.15 Londres Derniere. 8.30 Europe This Weekend. 9.00 Newshour. 10.00 News.
10.15 Meridian. 10.45 Sports Roundup. 11.00 News; Words of Faith; Book Choice. 11.15 A Jolly Good Show. 12.00 Newsdesk. 12.30 The Ken Bruce Show. 1.00 News Summary. 1.01 Play Of The Week; Letters Alone. 3.00 Newsdesk.
3.30 Hold The Baby. 4.00 News; Words Of Faith. 4.15 Sports Roundup. 4.30 Business Review; Travel. 4.45 News and press review *in German.*

SUNDAY

BBC RADIO 2
7.00 Don MacLean. 9.05 John Sachs. 11.00 Wired For Sound. 12.00 Desmond Carrington. 2.00 Benny Green. 3.00 Alan Dell. 4.00 Dear Dear Mama. 5.00 Charlie Chester.
7.00 Richard Baker. 8.30 Sunday Half-Hour. 9.00 Alan Keith. 10.00 Arts Programme. 12.05 Gyles Brandreth. 1.00 Andrew Lane with Night Ride. 3.00 A Little *Night Music. 4.00* Steve Madden

BBC RADIO 3
6.55 Weather.
7.00 Morning Concert.
8.30 News.
8.35 A Land with Music.
6.15 Maurizio Pollini.
10.15 Music Weekly.
11.00 From the Proms 1991.
1.00 News.
1.05 Your Concert Choice.
2.55 Robert Holl.
4.30 BBC Symphony Orchestra.
6.00 Jerusalem, Mother of Us All.
7.00 Andrei Gavrilov.
7.30 Critics' Choice.
10.40 BBC Philharmonic.
11.35 Horowitz Plays Clementi.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Prelude.
6.30 News; Morning Has Broken.
6.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.50 The Week's Good Cause.
8.55 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather.
1.00 The World This Weekend.
1.55 Shipping Forecast.
2.00 Gardeners' Question Time.
2.30 Globe Theatre.
3.30 The Radio Programme.
4.00 *Analysis.*
4.47 Missions Improbable.
5.00 News; Down Your Way.
5.40 The Week on 4.
5.50 Shipping Forecast.
6.00 News.
6.15 Feedback.
6.30 Europhile.
7.00 In Business.
7.30 Bookshelf.
8.00 Punters.
8.40 Reading Aloud.
9.00 The Natural History Programme.
9.30 Special Assignment.
9.59 Weather.
10.00 The World Tonight.
10.30 Radio Times/Radio 4 Enterprise Awards.
11.00 Parody Please.
11.30 Seeds of Faith.
12.00 News.

BBC RADIO 5
6.00 Newsdesk.
7.00 Meridian.
7.30 Sunday Edition.
9.00 Johnnie Walker.
10.30 Education Matters.
11.00 Kitchen Cabinet.
11.30 Up and Away.
12.00 News and Sport.
12.05 Ring-a-Winner.
1.40 Open University: Open Forum.
2.00 News and Sport: And Now Read On.
2.30 They Think It's All Over.
3.00 Music Mix.
5.00 Sports Bulletin.
5.10 Bob Hatton Rattle.
6.05 My Place.
6.30 James and the Giant Peach.
7.00 Sports Bulletin.
7.10 Open University.
10.10 Across the Line.
12.00 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times GMT:
6.00 News. 6.30 Londres Matin. 7.00 News; News About Britain. 7.15 Letter From America. 7.30 Jazz For The Asking.
8.00 Newsdesk. 8.30 From Our Own Correspondent. 8.50 Write On. 9.00 News; Words of Faith; Music With Matthew. 10.00 News; Business Review. 10.15 Short Story: Moon Over The River. 10.30 Folk In Britain. 10.45 Sports Roundup. 11.00 *News Summary; Science in* Action. 11.30 Londres Midi. 11.45 Mittagsmagazin. 12.00 Newsdesk. 12.30 The Ken Bruce Show. 1.00 News Summary; Play Of The Week: Letters Alone. 2.00 Newshour. 3.00 News Summary; It's Your World With Eastern European Leaders. 4.00 News. 4.15 *BBC English.* 4.30 News in German. 4.40 German Features. 5.00 News. 5.15 BBC English. 5.30 Londres Soir. 6.14 Club 648. 6.29 News Summary; News in German. 6.40 German Features. 7.54 News in German. 8.00 News Summary. 8.01 Rossini And His World. 8.30 Europe *Tonight.* 9.00 News; *Folk in* Britain. 9.25 Words Of Faith. 9.30 Break A Leg. 10.00 Newshour. 11.00 News; News About Britain. 11.15 Short Story: Moon Over The River. 11.30 Letter From America. 11.45 Sports Roundup. 12.00 News; Business Review; Music With Matthew. 1.00 Newsdesk. 1.30 In Praise Of God. 2.00 News Summary; The Messenger. 2.45 Mastersingers. 3.00 Newsdesk. 3.30 Composer Of The Month: Richard Strauss. 4.00 News; Words Of Faith. 4.15 Sports Roundup. 4.30 The Week Ahead; Travel. 4.45 News and Press Review In German.

CHESS

THE POLGAR SISTERS by Cathy Forbes (Batsford, £10.99) tells the story of the three Hungarian girls whose father aimed to rear a family of geniuses. Laszlo Polgar, a psychology teacher, believed that intellectual potential in the ages 4-8 is underrated and that intensive training then brings high achievement and a happy, fulfilled child. Chess was ideal for his experiment as a low-cost *activity where progress* can be objectively measured on the Elo rating system.

Susan, Sofia and Judit were coached for several hours daily by experts. By age 7, they were winning tournaments and beating male masters. Educationalists vainly tried to force school attendance, organisers baulked when they avoided all-female tournaments, grandmasters saw their status and income threatened. At one stage the Polgars were banned from travel to the West for three years.

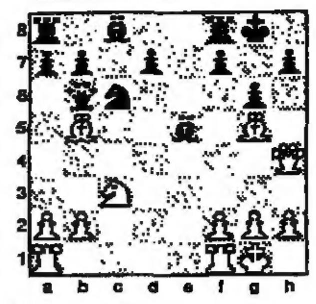
Eventually genius, or Laszlo's methods, triumphed. Susan became a GM at men's level, Judit broke Bobby Fischer's record, and even Sofia, the least talented sister, outplayed the Soviets in Rome.

Agents, businessmen and journalists showered Laszlo with offers, and a symbolic moment came when Polgar (a sister) lost to Polgar (an endorsed chess computer).

Two years ago when Laszlo sought a potential bridegroom for Susan, he scoured the Fide ranking list for Jewish GMs with 2600-plus ratings.

Forbes's book relies mainly on secondary sources, but is still a well-written and most *interesting account*, with over 80 games.

CHESS No 916



Judit Polgar v Angelova, Salonika olympics 1988. Black threatens to win a piece by Bxc3 and Qxb5. What was Judit's winning counter?

Solution Page XVII

Leonard Barden

BRIDGE

WHEN this hand was played at rubber bridge, I was spectating – *kibitzing* in bridge parlance. This is what happened:

	N	
	♠ Q 6 2	
	♥ A 5	
	♦ Q 7 3	
	♣ J 6 5 4 2	
W		E
♠ 10 9 8		♠ J 7 5 4 3
♥ J 8 2		♥ 10 3
♦ K 10 9 8		♦ A J 2
♣ Q 8 7		♣ A 10 9
	S	
	♠ A K	
	♥ K Q 9 7 6 4	
	♦ 6 5 4	
	♣ K 3	

With both sides vulnerable, South dealt and started the bidding with one heart, North replied with one no trump, the opener re-bid three hearts and North ended with four hearts.

West opened with the spade 10. The declarer won with his *ace, cashed the king, crossed to* the ace of hearts and cashed the spade queen, on which he discarded one of his losing diamonds. The situation was looking brighter – if the club ace was with East, the contract might be fulfilled. At the fourth trick, dummy's two of clubs was returned – with no entry to the table, it had to be played at once. East jumped up with his ace and played the knave of spades. South discarded one more diamond and West ruffed with his eight of trumps. The defence could take one diamond trick but the rest belonged to South.

"Very lucky," said declarer. "No diamond lead, and the club ace was onside."

"You played it well," I said.

"Could we have done any better?" asked East.

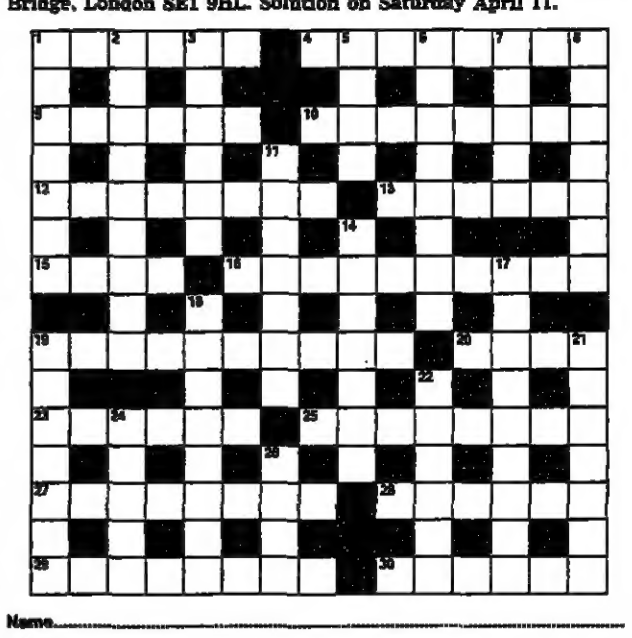
"You could have beaten the contract with perfectly timed defence," *I said.* "When you took your club ace at trick four, you should not have played the spade knave. To defeat the contract, you must assume that your partner holds the diamond king. You should return your diamond *two.* West wins and leads back the 10. You win and play the spade knave. If South ruffs small, West's knave will score; if he ruffs high, West's knave is promoted to winning rank."

E.P.C. Cotter

CROSSWORD

No. 7,810 Set by CINEPHILE

A prize of a classic Pelikan Souveran 800 fountain pen for the first correct solution opened and five runner-up prizes of £15. Solutions by Wednesday April 8, marked Crossword 7,810 on the envelope, to the *Financial Times, Number One Southwark* Bridge, London SE1 9HL. Solution on Saturday April 11.



Name...

Address...

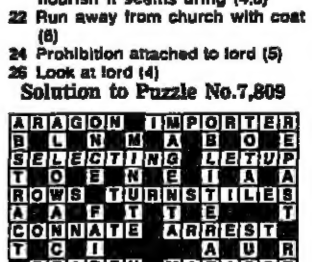
ACROSS

1 Lady swallowing silver is hurt (6)
4 Metrical expert like this almost American detective (8)
9 Lord if reformed is ornate (6)
10 Broadcasting where the hovercraft travels? (2,3,3)
12 Lord breaking arm at tomb (8)
13 Lords have information about fliers (6)
15 Lord of French outside Britain (4)
16 Lord is a tractor repairer (10)
19 Comments on the side by girl (maybe black) about drink on a plate (10)
20 Nearly but not quite a lord (4)
23 Engineers signal for old instrument (6)
25 Lord Lamb and none other (8)
27 Unusually excited by rude soup (8)
28 Beaten like a lord? (6)
29 Healthy talk about train crash (8)
30 Exploit at start of year about pound owed to lord (6)

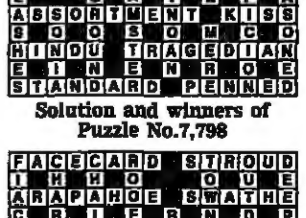
DOWN

1 Made off after getting led up with being slandered (7)
2 Sell, higher than royal, to tie up round pole before a king and a queen (9)
3 Lump in the neck when it's steeped in blood (5)
5 Absolute status of lord? (4)
6 Lively moments chez Ross, perhaps (8)
7 Short struggle during direction finding (5)
8 Ring in instrument on lord's head (7)
11 Too round article to cover (7)
14 Northern people kiss me madly without love (7)
17 Hard core providing lord with a mate (4,5)
18 Lord 5 is lord (8)
19 Lord that's right in resistance (7)
21 *Needing summery conditions to* flourish it seems tiring (4,3)
22 Run away from church with coat (6)
24 Prohibition attached to lord (5)
26 Look at lord (4)

Solution to Puzzle No.7,809



Solution and winners of Puzzle No.7,798



T.B. Crammond, Rickmansworth, Herts; R.A. Foreman, Milton Keynes, Bucks; R. Healey, Prague, Czechoslovakia; A.J. Lawrence, Seaford, E. Sussex; Karen Lonsdale, Horsell, Surrey; J. Purchase, Ampthill, Bedfordshire.

Placing the guilt on the victims

***Dominic Lawson** says the courts are becoming too lenient in cases of murder*

THIS HAS been a most unusual election campaign: at no point have the Conservatives mentioned the lady dubbed "Laura Norder" by the author and barrister John Mortimer. Laura Norder used to accompany Margaret Thatcher on all her election campaigns, but Mr Major seems less keen on bringing her virtues to the attention of the public. This may just be, of course, because crime, both petty and serious, has shown no sign of abating under the Conservatives' long period of rule – very much the reverse, in fact.

I was not surprised therefore when last week a leading policeman decided that if the Conservatives could not bring themselves to mention Laura, he would. Lyn Williams, the deputy general secretary of the Police Federation said politicians of all parties are putting the *interests of criminals before those* of victims. He blamed courts for "travesties of justice", for "not punishing violent crime" which "disgusted both victims and police officers." He said: "homicide is treated in our courts today as a rather serious form of bodily harm."

I think that Williams understates the case. Last week June Scotland who beat her husband to death with a rolling pin – having first failed in her attempt to poison him – and then buried the body in the garden, was freed, cleared of murder. Thomas Scotland was slain in 1987 but the slaughter remained undetected for four years because his widow – the term seems bizarre in the circumstances – and his daughter, Caroline, managed to *convince neighbours* that he was alive and well and working in Saudia Arabia. The truth emerged only last Easter Sunday when a neighbour putting up a fence discovered Mr Scotland's remains. The daughter had assisted Mrs Scotland in burying the body at midnight the day after the killing.

Mr Justice Garland told Luton Crown Court that no good would come of jailing Mrs Scotland. I am prepared to believe that no custodial sentence ever did any criminal any good. But the point of prison is not to benefit the criminal. It is to punish the criminal, and to satisfy society. It is also, as Williams implied, to remedy the insult to the victim. But if the insult is terminal, is there no need of such a remedy? Does a dead man have no rights? I cannot imagine that if Mr Scotland, rather than being killed, was left by his wife's beating a gibbering, brain-damaged incontinent wreck that a court would not have wished to pass a custodial sentence. Or perhaps the court would have been told that the assailant had shown rare mercy in halting the beating before its effects became fatal.

What is still worse for the victim is that the judge, seeking to justify a non custodial sentence – in this case two years probation – told the court what a terrible man was the deceased. So the Luton court was told that the late Mr Scotland "was a severe disciplinarian with his children, once throwing his daughter's toys on a fire after she wrote on a wall. He would hit his children across the back of the head if they were not doing their homework properly." It was also alleged that Mr Scotland abused his daughter; the evidence consisted of the statements of mother and daughter. But who would speak for Mr Scotland? Was he really as bad as painted? He could not be in court to defence himself against these charges. He had no defence lawyer.

This is only the most recent of a spate of such cases. Last month a former nun, Elizabeth Line was cleared of the murder of her "drunkard" husband. Again, her husband was not in court to answer the charges against him, identified by the judge as "violence and sexual abuse of the worst kind."

At the end of January a businessman who strangled a "nagging" wife in front of their three children was freed at the end of a trial at the Old Bailey. Judge Neil Denison told Rajinder Bisla: "you have suffered through no fault of your own a terrible existence for a very long time. You *bore it better* probably than most people would have done, until finally your self control snapped." The court was told that the late Mrs Bisla was "a very domineering lady who wanted to rule the roost over the family, hurling insults in Punjabi and English."

Who will speak for the dead. For Mr Scotland, Mr Lines and Mrs Bisla, all killed with the sympathy and understanding of the courts? Where is Laura Norder, when we need her? Perhaps she has been secretly buried at dead of night, killed – quite understandably of course – by a spouse driven mad by her nagging.

■ *Dominic Lawson is editor of The Spectator.*

The voting floater

Michael Thompson-Noel

I DO NOT want to blind you with science, to befuddle you with arch demographics or slick computer print-outs. But I have to tell you this: in the view of Britain's political leaders, the UK election on April 9 is likely to prove so close that the outcome will be determined by four floating voters living in Westminster North. And one of them is me.

I live in St Stephen's Gardens, on the Notting Hill-Paddington border. This is not as smart as it sounds, though my next-door neighbour is frock queen Zandra Rhodes. (So encoiled is *Zandra in the lineaments* of her own genius that it never occurs to her that I am more famous than she is, but do I fret and fuss?).

St Stephen's Gardens is in the Westminster North constituency, where the Conservative MP finds himself waging a frontline battle against those who would dethrone him. For reasons too complex to explain, the latest equations being used by the party strategists tell them that the April 9 election now hinges on the say-so of . . . four particular floaters living in four adjacent streets in this particular constituency . . . me and three others.

This has shocked our political leaders. All these press conferences! All this advertising! The blarney and ballyhoo! When all they needed to do was concentrate their firepower, their flattery and promises, on four floating voters in Westminster North.

HAWKS & HANDSAWS

On Wednesday, Wing Commander Paddy Ashdown phoned me from the Liberal Democrat helicopter. He was somewhere over Birmingham, or somewhere equally ghastly. Swiftly he came to the point. Dispensed with *foreplay entirely*. Was there anything special I wanted in return for my vote on April 9?

"More traffic humps", I said promptly. "A complete overhaul of London's transport. The immediate scrapping of our nuclear weapons. Better weather. Less money for the Royal Opera House and the silencing of its uppity director, moaning Jeremy Isaacs. Then there's Margaret Beckett. Cheaper books. Better food. More trees and window-boxes. Proportional representation. A new mega-tax on the wretchedness that is ITV, and hands off the BBC. An end to fox hunting and National Hunt racing. A tax on music critics and other artsie-barksies. A state pension for poor Fergie. The gagging of Margaret Thatcher. Rupert Murdoch outlawed. Harlequinades and circuses. John Major fired from a cannon."

"All those shall be granted you", said Wing Commander Ashdown.

On Thursday, Neil Kinnock rang, as jovial as an undertaker during a time of cholera. Actually called me boyo. Not that I'm a snob. "Is there anything the Labour party can do for you, Michael boyo", he said, as glutinous as a pudding, "because we *need* your vote, desperately and passionately, with all our fervour and soul, with all . . ."

". . . Stop it, Neil", I said sharply. "I have no time for that. I know why you are calling. Your computers have identified me as the floater *nonpareil*, the floaters' floater's floater, the key to the whole election. Here is a list of the *things* I want."

I will not bother you with it. It was a far longer list than the one I had improvised for Wing Commander Ashdown, but Neil accepted it instantly, every tittle and jot.

Later, shame engulfed me – shame that I was abusing my fulcrumatic rôle in the election by concocting lists of petty favours, trinkets, *pay-offs*. I knew I must sharpen my act, so when John Major rang last night I told him there was nothing that I wanted, just four simple answers to four easy questions:

"One: why, each month, is part of my salary confiscated to help pay for nuclear submarines?

"Two: why does the state subsidise my ownership of an expensive London flat when so many other people are living in poverty? When, in short, will you acknowledge that the allocation of resources between prosperous and poor has grown seriously askew?

"Three: is Margaret Thatcher a disgraced ex-leader of the Conservative party or not? If not, why was she evicted from office? If she is, why won't you apologise for the mistakes that prompted her downfall?

"Four: which dozen ministers do you plan to sack on April 10 if you win the election?"

As usual, John Major was dignified and courteous. He promised to get back to me. I do not believe that he will.

Lydia van der Meer

Private View/**Christian Tyler**

A life on Thames' cleansing tides

Ron Barnes has spent 43 years ferrying away London's rubbish while the city looks away

RON BARNES, freeman of the Company of Watermen and Lightermen of the River Thames, is a refuse collector. Five times a fortnight he comes upriver from Erith on the tide to collect the City's rubbish – shredded memos, sandwich wrappers, champagne *bottles, old copies* of the FT – from a dock beside Southwark Bridge.

He is a river dustman who goes to work in a white shirt and tie and polished black shoes. He feels undressed without them, he said – and I detected the signs of a strict upbringing.

Crows were scavenging from the decks of the empty barges, *Marie, Ursula* and *Muriel*, that we picked up from the Rainham Marshes dumping depot. There was a pleasant whiff of decay in the breeze.

This is one of London's cleanest jobs. The tug we were aboard today, the *Jim Higgs*, was immaculate. A plastic owl was perched above the wheelhouse to stop the seagulls messing on the deck. Inside, the brasswork glistened and there was pile carpet on the floor.

The engineer, a shy young man with a pale face and long blond hair, went below to start the engine, a six-cylinder, 1,000 hp affair capable of handling twice the permitted limit of six laden barges of some 350 tonnes each.

Ron Barnes is first mate. He has worked on the river since the age of 15 and has seen the number of Thames lightermen (meaning "unloaders") dwindle from 4,500 to around 200. "Where I grew up, in Greenwich, everybody derived their living from the river. But the river is dead compared with when I came on the water."

He is looking forward to the freedom of retirement so he can spend more time on his vegetables, flowers and bees.

"Actually, I should have been a farmer," he said with a laugh. "I'm free enough here. But getting off the boat to go ashore is a pleasure, an immense pleasure. In fact, in the mornings I have been known to come down that causeway backwards! No, really it's not that bad."

I said many office workers would envy his job of driving a boat up and down the Thames.

"Yeah, but you've come today." Ron pointed to the patchy blue sky and the river as flat as glass. "How would you feel walking down that causeway at quarter to six in the morning and there's an easterly wind blowing? I don't want you to burst into tears but it isn't always as pleasant as today.

"*Having said that* it's better now than it was. I mean, when I was journey-lightering there were times I'd leave home at 5.20 in the morning and get home at eight, nine at night, soaking wet. Now we've got radio telephone, flush toilets. Oh yeah, this is Utopia what we're doing now."

Our convoy had passed through the Thames Barrier and was reach*ing the fringes of the metropolis.* The river was deserted but for the occasional police launch, an orange tender which pulled alongside to pay a social call and, incongruously, a trawler from Lowestoft netting fish for a survey. "Eels, flounder and two soles," the trawler skipper reported over the radio.

It was early afternoon now and I scanned the mish-mash of buildings *on either bank in vain for signs of* life. A banner on a warehouse at Wapping advertised space at £2.50 a square foot - "Beat that for value!" it said. The radio reported a man in the water off Greenwich pier; but it turned out to be a false alarm.

A few Lowry-like figures appeared far above us as we shot Tower Bridge. Above Southwark bridge the *Jim Higgs* turned into the current, his three maids-of-honour swinging dutifully behind, and moored beside a driftwood barge containing beer kegs, a black sofa, a mangled domestic freezer and some dead Christmas trees.

While we waited for high tide, I asked Ron about river families.

"The river may seem vast to you but it's a small area to work. Everybody knows everybody else. I've been here 43 years and there's nowhere from Teddington round to the Medway that I haven't been. Even for National Service you all went in as a group."

Do you meet socially?

"Lots of 'em do. I don't. If work is your whole life you might want to socialise with people at work. You won't believe it, but we've got people here go for their holidays on a narrow boat. Depends what turns you on, I suppose."

Ron sets high standards for himself and others. Though scarcely a fervent trade unionist, he will have no truck with those he regards as blacklegs and he regrets the loss of solidarity among the watermen.

He cheerfully admitted to "Victorian standards", inherited from a strict father, a maker of surgical boots who turned docker. "Maybe you think I'm cranky, just old fashioned. But I think I've had a happy life despite my high standards."

He makes no secret about how much he depends on his wife, Rita, whom he met when they were at infant school. He likes her to stay at home, and they do everything together.

"I don't care how long my life is so long as I go before my wife."

What does she say to that?

"She says I'm selfish", he laughed.

Their son Mark went to Southampton University (Ron was not sure about Oxford) and is a research chemist in Vancouver. Debra, their daughter, is an assistant manager for the National West*minster Bank.*

I asked about the hazards of his job.

"I'm not being blasé, but I personally don't feel there's any dangerous part to the job provided you know what you're doing and provided you're observant.

"There are Do's and Don'ts. All the ropes are made fast the same way so you can untie in the dark, you can undo them quickly if need be."

What about falling in?

"We had a chap three weeks ago fell in: it was dark and raining but he had a lifejacket on. It was a bit of a trauma, but other than that . . ."

If you fall in without a jacket?

"The tide goes at fair lick, so within minutes you're yards away. You can get trapped under the barges."

His worst experience was falling into a dock at Tilbury while loading tea. It was January, between shifts, nobody was about and he had no lifejacket on.

"The sheet snagged on a tea chest and I went into the water. As I came up I just missed the barge to grab hold of it, and there I was floundering around. I was in the water for half an hour. I was very, very lucky to get out. In fact I didn't think I *was* going to get out. But it's surprising where you get the energy from when you have to."

The tide was nearly full now, the office workers were starting to go home, and the *Jim Higgs* moved across the river to the rubbish dock. Her crew jumped aboard the barges to begin the complicated series of ropetricks needed to shuffle these 85ft-long monsters, one by one, into a narrow opening at right-angles to their path. It was like herding stubborn cows on slippery feet into a milking shed, only more difficult.

We picked up three new barges, *Jayne, Susan Anne* and *Lynda*, heavy with rubbish under their modest deck-covers. Dusk settled, the lights came on and the river turned a dark Mediterranean blue. A group of bond dealers stared from The Banker wine bar under Southwark bridge and, on the other shore, shadows moved behind the tinted windows of the *Financial Times* head office.

The river dustmen were sailing home in a night painting by Whistler. I found the skipper, Bill Smith, humming at the wheel; we stared at the office lights and the distant beacon of Canary Wharf, its ugliness made invisible. "The river can be quite enchanting at times," he said.

As we passed under Tower Bridge again, the radio re-opened. Someone had jumped from London Bridge, it said, and there were two witnesses. It seemed pointless to look for a body in that black water. "Jumpers", as the police call these suicides, occur all year round but are more common at Christmas. Bill said a body had been found the day before, strangled but not dead. Jumpers like Westminster Bridge best, apparently, because it is the lowest.

Starving by now, I went below. Ron cooked up a high tea of crumpets, mushroom soup and Spam sandwiches. The crew explained how, after 450 years, the Company of Watermen and Lightermen, unusually among the London guilds, still organised apprenticeships and issued licences.

Many watermen are still involved in rowing, as fundraisers for charity, organisers of the annual wooden boats regatta, or as coaches for sculls and racing eights.

We had been afloat for more than seven hours when the depot at Rainham Marshes loomed. Ron had taken the wheel. He swung the barges round to face the tide, running fast down to the sea, spurred the *Jim Higgs* into the gap between the jetty and the shore and, at a crucial moment, ordered the three barges to be let go.

Jayne, Susan Anne and *Lynda* seemed to shoot ahead but then suddenly lost momentum and glided noiselessly to a halt as if they had nosed out their own berths. The tug slid backwards, gave *Lynda* a final shove to straighten her up, and made off for the south shore. The crew parted with a few words and hurried away into the night.

WEEKEND LONDON

With the ladies at Annabel's

Playboy Taki Theodoracopulos romps with the rich and famous

IF CIVILISED society is measured by the quality of its parties, restaurants and nightclubs, we can all rest easy in our beds. London is still the most fun capital in Europe, the separation of Fergie and her prince notwithstanding. Even the prospect of Neil Kinnock becoming Prime Minister has not quite overwhelmed the high life. This past week Annabel's was conducting business as usual, as were Tramp, Christopher's, Le Caprice, Harry's Bar and so on . . .

After 29 years Mark Birley's creation is still the *numero uno* nightclub not only of London, but of Europe. (American nightclubs are considered theme parks.) Whether one is a gourmet, a gambler, or simply a drinker, and I'm all three, the evening is not complete without a visit at 44 Berkley Square.

Upon arrival one is greeted by the smiling countenance of that walking death machine, Nando now nearing 50 but still a very good man to have on one's side during a brawl. After being admitted by Ted, the greatest Pole since General Sikorski, one is immediately taken care of either by John, premier barman and maker of drinks extraordinaire, or shown to a table by Louis, the greatest Italian since . . . Mussolini.

Oh yes, I almost forgot. If one is a lady, one is taken care of by Mabel, the grande dame of Annabel's, who even takes precedence over a duchess. (If you see a man or two in the ladies, don't be alarmed. It is either an Irishman by the name of Galagher, or your's truly. I believe we are the last two men left who are members of the ladies, a club created by Mabel on a whim which allows gents to enter the ladies.)

The membership of Annabel's is a mixed affair. I don't know many nobs who don't belong, nor any Greek shipowners who Louis doesn't address by name. There are also some of our rich Arab brethren, but – amazingly – they do try and stay away during week nights, and only attend on weekends, when the rest of us are away. I have never understood if this is part of the deal struck between them and management when the camel drivers join, and whenever I have attempted to find out I have been told in no uncertain terms to drop it.

One thing is for sure. Of all the great nights I have had in London these past 25 years, most of them have finished up in Annabel's, standing in the hallway next to the bar, hearing Harry Worcester ululating, and watching John trying to control the more amorous members of the British upper crust who want to make fools of themselves.

And speaking of amorous souls, if one likes girls – or pre-women, as the politically correct Americans refer to them nowadays – Tramp is the place for you. The owner and prime mover behind Tramp is, as every model, rock star and groupie knows, Johny Gold, the hardest working owner, certainly the friendliest, of any club in the capital. Johny knows everyone who has ever been in the newspapers or on the telly, and going to Tramp is like a bit like watching a Nigel Dempster column on video. Tramp attracts the most beautiful girls in London, and even its competitors admit the fact that Tramp has an exclusive on the fairer sex.

Now this is how one finishes the evening. Before going to Annabel's or Tramp, one needs to eat. The hottest restaurant of London this year has been Christopher's – of which I'm part owner – although I have as much to do with the running of it as Gerald Kaufman has with the election campaign. Christopher's caught on immediately because of timely publicity, and because it does serve great food at very reasonable prices.

Both the Queen Mother and Princess Margaret attend regularly, as do most wet Tory politicians. Christopher Gilmore, son of retiring Sir Ian is the *Führer* of the place. Needless to say, Tory MPs flock to the place, as do journalists, mainly of the conservative complexion. I have managed to spot a couple of Labour politicos, both of whom happened to be moving their lips while reading the menu. There are also many artists coming in from across the street, where the Royal Opera House is (on Wellington Street).

One of the funniest remarks I have heard in a long time came from a Japanese gentleman last week in Christopher's. Looking at Amanda, the lovely girl who seats people, he remarked in all seriousness that "Ah, vely, vely difficult eat salad with election . . ." I happened to agree.

By now of course, however backwards, one also needs to eat lunch. Until Christopher's opened, Harry's Bar, was THE place to lunch. It probably still is.

One day I spotted the ex-king of Greece and the present king of Spain lunching, and behind them, hidden away by the posts, the diminutive king of Jordan. Oh yes, and on the other side of the room, sitting tall above the risotto, the Princess of Wales. Nobody except for a few Americans seemed to be aware of their presence.

After a two-year pursuit of Kate Reardon, the prettiest girl of London, I chose Harry's Bar as the venue of our first lunch. The trouble was I ran into Nigel *Dempster* – which scared Kate – and my old friend Charles Benson, England's greatest gambler, who scared me for a loan. In spite of these twin catastrophes, I still love the place.

And do not ask me about breakfast. That's to be taken in bed, served more often than not by lovelies.